

Before the
COPYRIGHT ROYALTY JUDGES
The Library of Congress

In re

DISTRIBUTION OF CABLE
ROYALTY FUNDS

DISTRIBUTION OF SATELLITE
ROYALTY FUNDS

CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-13)

SETTLING DEVOTIONAL CLAIMANTS' FURTHER BRIEFING IN RESPONSE TO
MULTIGROUP CLAIMANTS' RESPONSE TO ORDER TO SHOW CAUSE

APPENDIX VOLUME 1

**Before the
COPYRIGHT ROYALTY JUDGES
The Library of Congress**

In re

**DISTRIBUTION OF CABLE
ROYALTY FUNDS**

**DISTRIBUTION OF SATELLITE
ROYALTY FUNDS**

**CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-13)**

**SETTLING DEVOTIONAL CLAIMANTS' FURTHER BRIEFING IN RESPONSE TO
MULTIGROUP CLAIMANTS' RESPONSE TO ORDER TO SHOW CAUSE**

APPENDIX

**TABLE OF CONTENTS AND
DECLARATION OF MATTHEW J. MACLEAN**

I, Matthew J. MacLean, hereby state and declare as follows:

I am a litigation partner in the law firm Pillsbury Winthrop Shaw Pittman LLP. I represent the Settling Devotional Claimants ("SDC") in this matter.

The Appendix submitted herewith contains true and correct copies of the following documents, by page number:

Volume 1

- | | |
|-----------|---|
| App. 1-7: | Order to Show Cause Why Multigroup Claimants Should Not Be Disqualified as an Agent to Receive Funds on Behalf of Claimants (Feb. 24, 2020) |
| App. 8: | Exhibit F from Multigroup Claimants' Response to Order to Show Cause - RESTRICTED (redacted in public version) |
| App. 9: | Exhibit G from Multigroup Claimants' Response to Order to Show Cause - RESTRICTED (redacted in public version) |
| App. 10: | Exhibit H from Multigroup Claimants' Response to Order to Show Cause - RESTRICTED (redacted in public version) |

App. 11-15:	Declaration of Brian Boydston in Support of Multigroup Claimants' Response to Order to Show Cause (Feb. 28, 2020) – RESTRICTED (redacted in public version)
App. 16:	Multigroup Claimants' Assumed Name Record (Bell Cnty. Tex. Jan. 20, 2015), produced by Multigroup Claimants
App. 17:	Authorization and Transfer to Multigroup Claimants (Jan. 20, 2015), produced by Multigroup Claimants
App. 18-34:	Multigroup Claimants' Opposition to (Second) Joint Motion to Strike Multigroup Claimants' Written Direct Statement and to Dismiss Multigroup Claimants from the Distribution Phase (Jan. 17, 2018)
App. 35-45:	Multigroup Claimants' Opposition to MPAA Motion to Quash Discovery Requests of Multigroup Claimants (Jan. 29, 2018)
App. 46-71:	Multigroup Claimants' Opposition to Settling Devotional Claimants' Motion to Quash Discovery Requests (Feb. 7, 2018)
App. 72-79:	Multigroup Claimants' Reply in Support of Notice of Consent to 2010-13 Cable and Satellite Shares Proposed by Settling Devotional Claimants, and Motion for Entry of Distribution Order (July 13, 2018)
App. 80-128:	Voluntary Petition for Individuals Filing for Bankruptcy, filed by Alfred Galaz and Lois Galaz (May 28, 2019), retrieved from Pacer.gov
App. 129-31:	Certificate of Filing and Assumed Name Certificate of Worldwide Subsidy Group (Jan. 6, 2020), filed with Multigroup Claimants' Opposition to Settling Devotional Claimants' Motion for Order to Show Cause
App. 132-35:	Alfred Galaz Declaration in Support of Multigroup Claimants' Opposition to Settling Devotional Claimants' Motion for Order to Show Cause (Jan. 9, 2020)
App. 136-38:	Declaration of Eva-Marie Nye in Support of Settling Devotional Claimants' Reply in Support of Motion for Order to Show Cause Why Multigroup Claimants Should Not Be Disqualified as an Agent to Receive Funds on Behalf of Claimants (Jan. 14, 2020)
App. 139-40:	Ex. A – Worldwide Subsidy Group Public Information Report (Sep. 13, 2016)
App. 141-42:	Ex. B - Worldwide Subsidy Group Public Information Report (Sep. 11, 2017)

App. 143-45:	Ex. C - Worldwide Subsidy Group Public Information Report (June 23, 2018)
App. 146:	Declaration of Eva-Marie Nye in Support of Settling Devotional Claimants' Further Briefing in Response to Multigroup Claimants' Response to Order to Show Cause (Mar. 11, 2020)
App. 147-60:	Attachment – Florida Secretary of State records for RTG, LLC
App. 161-229:	Declaration of Ryan T. Galaz in Support of RTG, LLC's Request for Entry of Default Judgment, <i>RTG, LLC v. Jackson</i> , No. BC655159 (Cal. Super. Ct., L.A. July 19, 2017), retrieved from online docket
App. 230-87:	Declaration of Ryan T. Galaz in Support of RTG, LLC's Request for Entry of Default Judgment, <i>RTG, LLC v. Jackson</i> , No. BC655159 (Cal. Super. Ct., L.A. Oct. 23, 2017), retrieved from online docket
App. 288-92:	Declaration of Ryan T. Galaz in Support of RTG LLC's Opposition to Lisa Fodera's Motion for Partial Summary Judgment, <i>RTG, LLC v. Fodera</i> , No. 5:19-cv-87-DAE (W.D. Tex. Oct. 3, 2019) , retrieved from Pacer.gov

Volume 2

App. 293-96:	Declaration of Michael Warley in Support of Settling Devotional Claimants' Further Briefing in Response to Multigroup Claimants' Response to Order to Show Cause (Mar. 12, 2020)
App. 297-98:	Ex. 1 - Property Record Card – Lake Pancoast Property
App. 299-302:	Ex. 2 - Warranty Deed to Worldwide Subsidy Group - Lake Pancoast Property (Apr. 5, 2012)
App. 303-05:	Ex. 3 - LLC Certificate of Authority - Lake Pancoast Property (June 17, 2014)
App. 306-17:	Ex. 4 - Mortgage - Lake Pancoast Property (June 17, 2014)
App. 318-19:	Ex. 5 - Satisfaction of Mortgage - Lake Pancoast Property (Jan. 29, 2016)
App. 320-22:	Ex. 6 - Certified Member Resolution and Incumbency Certificate - Lake Pancoast Property (Jan. 27, 2017)

App. 323-26:	Ex. 7 - Quit Claim Deed to RTG - Lake Pancoast Property (Jan. 27, 2017)
App. 327-30:	Ex. 8 - Property Record Card - Prairie Ave. Property
App. 331-33	Ex. 9 - Warranty Deed to RTG - Prairie Ave. Property (June 13, 2017)
App. 334-35:	Ex. 10 - Notice of Commencement - Prairie Ave. Property (Aug. 15, 2017)
App. 336-37:	Ex. 11 - Notice of Commencement - Prairie Ave. Property (Dec. 15, 2017)
App. 338-39:	Ex. 12 - Declaration of Restrictive Covenant - Prairie Ave. Property (Apr. 10, 2019)
App. 340-41:	Ex. 13 - Declaration of Restrictive Covenant - Prairie Ave. Property (Apr. 10, 2019)
App. 342-43:	Ex. 14 - Notice of Commencement - Prairie Ave. Property (Apr. 18, 2019)
App. 344-45:	Ex. 15 - Notice of Commencement - Prairie Ave. Property (May 9, 2019)
App. 346-47:	Ex. 16 - Claim of Lien - Prairie Ave. Property (Apr. 18, 2019)
App. 348-53:	Information, <i>United States v. Galaz</i> , Crim. No. 02-230 (D.D.C. May 30, 2002)
App. 354-63:	Plea Agreement, <i>United States v. Galaz</i> , Crim. No. 02-230 (D.D.C. May 30, 2002)
App. 364-89:	Memorandum Opinion and Order Following Preliminary Hearing on Validity of Claims, No. 2008-2 CRB CD 2000-03 (Phase II) (Mar. 21, 2013)
App. 390-414:	Ruling and Order Regarding Claims, No. 2008-1 CRB CD 98-99 (Phase II) (June 18, 2014)
App. 415-502:	Memorandum Opinion and Ruling on Validity and Categorization of Claims, Nos. 2012-6 CRB CD 2004-09 (Phase II), et al. (Mar. 13, 2015)
App. 503-25:	Comments of Raul Galaz to Proposed Rule Regarding Violation of Standards of Conduct (May 22, 2017)

App. 526-27:	Final Order of Distribution, No. 2008-02 CRB CD 2000-03 (Phase II) (Mar. 22, 2016)
App. 528-37:	Order Directing Partial Distribution of Program Suppliers' Cable Royalties, Nos. 2012-6 CRB CD 2004-09 (Phase II), et al. (Nov. 9, 2016)
App. 538-46:	Order Granting IPG's Motion for Final Distribution of 1999 Cable Royalties (Devotional Category), No. 2008-1 CRB CD 1998-99 (Phase II) (June 12, 2007)
App. 547-81:	Declaration of Walter J. Kowalski (Oct. 9, 2014) (with exhibits)
App. 582-602:	Transcript of Testimony of Walter J. Kowalski (Dec. 11, 2014)
App. 603-18:	Collection of letters between counsel for Worldwide Subsidy Group, Public Broadcasting Service, and Bob Ross, Inc. (Feb. 7-Apr. 12, 2017), produced by counsel for Public Broadcasting Service (as to letters from Public Broadcasting Service) and by counsel for Bob Ross, Inc. (as to letters from Worldwide Subsidy Group and Bob Ross, Inc.)
App. 619-25:	Report of Handwriting Examination by John Hargett (Mar. 13, 2020) – RESTRICTED (redacted in public version)
App. 626-29:	Email between M. MacLean and B. Boydston (Feb. 28-Mar. 6, 2020) – RESTRICTED (pages removed in public version)
App. 630-34:	Email between M. MacLean and B. Boydston (Mar. 11-12, 2020) – RESTRICTED (pages removed in public version)

Volume 3

App. 635-84:	Transcript of Raul Galaz, No. 2008-1 CRB CD 1999 (Phase II) (May 5, 2014)
App. 636-754:	Verified Deposition Transcript of Ryan Galaz, <i>RTG, LLC v. Fodera</i> (July 22, 2019), provided by Royal Lea, counsel for Lisa Katona Fodera
App. 755:	Ex. 1 – Ryan Galaz handwriting exemplars
App. 756-91:	Verified Deposition Transcript of Alfred Galaz, <i>RTG, LLC v. Fodera</i> (Dec. 12, 2019), provided by Royal Lea, counsel for Lisa Katona Fodera

App. 8-15, App. 619-34, and the redacted portions of pages 1-10, 12-15, and 17 of the public version of the SDC's Further Briefing in Response to Multigroup Claimants' Response to

Order to Show Cause are submitted as Restricted – Subject to Protective Orders in Docket No. 14-CRB-0010-CD/SD (2010-13) solely because they contain information that has been designated as Restricted by Multigroup Claimants in Exhibits F, G, and H of Multigroup Claimants’ Response to Order to Show Cause.

I hereby declare under penalty of perjury that the foregoing is true and correct. Executed March 16, 2020, in Washington, District of Columbia.

/s/ Matthew J. MacLean
Matthew J. MacLean

**COPYRIGHT ROYALTY JUDGES
The Library of Congress**

In re

**DISTRIBUTION OF CABLE
ROYALTY FUNDS**

**CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD (2010-13)**

**DISTRIBUTION OF SATELLITE
ROYALTY FUNDS**

**ORDER TO SHOW CAUSE WHY MULTIGROUP CLAIMANTS SHOULD NOT BE
DISQUALIFIED AS AN AGENT TO RECEIVE FUNDS ON BEHALF OF CLAIMANTS**

On December 26, 2019, the Settling Devotional Claimants (SDC) submitted to the Copyright Royalty Judges (Judges) a Motion For Order to Show Cause Why Multigroup Claimants Should Not be Disqualified as an Agent to Receive Funds on Behalf of Claimants (Motion). In the Motion, the SDC also moved for an order to show cause why Alfred Galaz d/b/a Multigroup Claimants (MGC) should not be disqualified as an agent to receive copyright royalty funds on behalf of the claimants that he claimed to represent.

Arguments

According to the SDC, a bankruptcy petition filed by Mr. Galaz – the registered owner of the fictitious business name “Multigroup Claimants” in Bell County, Texas – “demonstrates that he is no longer (and may never have been) the authorized agent on behalf of the claimants.” Motion at 1. The SDC contend that communications from MGC’s counsel suggest that Mr. Galaz d/b/a Multigroup Claimants is no longer a proper party and no substitution of parties has been sought. As a result, the SDC request that the Judges seek clarification on these contentions before authorizing a final distribution of copyright royalty funds to MGC. *Id.* The SDC also ask the Judges to disqualify Mr. Galaz permanently from serving as an agent in these proceedings if it is determined that he has participated in a fraud or proceeded without authority. *Id.*

The SDC contend that “the Judges cannot and should not authorize a distribution of royalties to a person who currently lacks the authority to receive them” and notes that the Judges have routinely disqualified agents, including both Independent Producers Group (IPG) and MGC, from proceeding on behalf of claimants who have not authorized the putative agents to proceed. *Id.* at 12 (citing *Order Regarding Objections to Cable and Satellite Claims* (Oct. 23, 2017) at 10-34 and *Independent Producers Group v. Librarian of Congress*, 792 F.3d 132, 141 (D.C. Cir. 2015) (affirming the Judges’ finding that IPG had presented inadequate evidence to establish that it had the authority to represent certain claimants)).

The SDC propose that the Judges proceed by obtaining responses, with supporting evidence, in answer to two sets of questions modeled on questions that SDC had posed to MGC's counsel (who purportedly refused to answer them):

1. Who is Multigroup Claimants? If it is not Alfred Galaz, then who signed the Certificate of Ownership filed in Bell County, Texas, and why were the Judges and other parties not informed?
2. On what basis does Multigroup Claimants claim the right to have participated throughout these proceedings, to agree to disposition of copyright royalty fees, and to collect royalties on behalf of the claimants that it has purported to represent? When and how was that right created, does it still exist, and who currently claims to be the holder?

Motion at 13-14.

On January 10, 2020, the Judges received Multigroup Claimants' Opposition to Settling Devotional Claimants' Motion for Order to Show Cause ([Opposition](#)). MGC represents that Mr. Galaz "had transferred any interests previously held by Multigroup Claimants, and as of May 2019 had no further interests therein...." Opposition at 3. MGC represents that "[b]ecause of a transfer in January 2018 that created a commonality of ownership in both Worldwide Subsidy Group, LLC and Multigroup Claimants, the interests of Multigroup Claimants were folded into Worldwide Subsidy Group, LLC, and Worldwide Subsidy Group, LLC adopted Multigroup Claimants ... as an ... assumed name." *Id.* at 5. MGC states that "to avoid any supposed confusion regarding such matters..., Worldwide Subsidy Group, LLC, formally registered an assumed name certificate with the State of Texas for Multigroup Claimants." Opposition at 5 (citing Ex. A to the Opposition, a document entitled Certificate of Filing of Worldwide Subsidy Group LLC from Office of the Secretary of State of Texas, dated January 6, 2020). MGC states further that

[a]t no time has Multigroup Claimants considered it necessary to file a "substitution of parties" under circumstances as the foregoing, i.e., where all of the interests in an entity are transferred to another entity that is owned by the identical individual, and that continues to act in the stead of that entity formally utilizing the identical name. Nonetheless, if the Judges consider it necessary to engage in such formality, clarifying that Multigroup Claimants is no longer an assumed name for Alfred Galaz, but is now an assumed name for Worldwide Subsidy Group, LLC (which had been 99% owned by Alfred Galaz at the time of transfer), Multigroup Claimants will accommodate the Judges. Beyond that accommodation, no further action is necessary or warranted.

Opposition at 7-8.

On January 21, 2020, the Judges received the SDC's Reply in Support of Motion for Order to Show Cause Why Multigroup Claimants Should Not Be Disqualified as an Agent to Receive Funds on Behalf of Claimants ([Reply](#)).¹ In its Reply, the SDC state that

[e]ven if it is true that the assets associated with Multigroup Claimants were conveyed to Worldwide Subsidy Group, and even if Worldwide Subsidy Group began doing business under the name "Multigroup Claimants" (a name it did not register until January 6, 2020, eleven days *after* the SDC filed their motion for order to show cause), the assumption of a business name does not change a party's identity. Regardless of Worldwide Subsidy Group's assumption of the business name "Multigroup Claimants," a substitution of parties is required under the Judges' rules to replace Worldwide Subsidy Group for Alfred Galaz in all proceedings before the Judges.

Reply at 2 (citing 37 CFR § 360.4(c)).

The SDC go on, however, to assert that "if Alfred Galaz's declaration [which MGC included as an exhibit to its Opposition] is true, then Worldwide Subsidy Group has actively concealed its identity with Multigroup Claimants through multiple false statements to the Judges over the course of at least two years." Reply at 3-5 (noting that on December 12, 2017, Worldwide Subsidy Group's counsel described MGC as an "assignee" of Worldwide Subsidy Group rather than as an assumed name for Worldwide Subsidy Group; referencing Testimony of Raul Galaz (Alfred Galaz's son) who stated on December 29, 2017 that MGC was "a sole proprietorship organized in the state of Texas" and that MGC "represents the interests of Worldwide Subsidy Group, LLC in these proceedings"; noting that on January 17, 2018, MGC filed an opposition to a motion in which MGC referred to Worldwide Subsidy Group as MGC's predecessor and assignor; noting that on January 29 and February 7, 2018, MGC filed oppositions to motions in which MGC referred to Worldwide Subsidy Group as MGC's "predecessor"; noting that MGC, as recently as August 14, 2019, in its appeal of the Judges' determination in the Program Suppliers and Sports categories with the U.S. Court of Appeals for the D.C. Circuit, continued to maintain that it is distinct from Worldwide Subsidy Group).

¹ On January 22, 2020, the Judges received a [motion](#) from MGC requesting leave to file a sur-reply to the SDC's Motion for Order to Show Cause. The SDC opposed that motion later that day, arguing that "[t]he only relief that the SDC have asked for is an order requiring Multigroup Claimants to show cause why it should not be disqualified as an agent. If the SDC's motion is granted, then Multigroup Claimants will be given a full opportunity to present its defense, if any." [SDC Opposition to Multigroup Claimants' Motion for Sur-reply to Settling Devotional Claimants' Motion For Order to Show Cause](#) at 1. The relief that the SDC seek is broader than an order to show cause why Multigroup Claimants should not be disqualified as an agent in the current proceeding. Indeed, the SDC call for Multigroup Claimants, Alfred Galaz and Worldwide Subsidy Group, under any name, to be debarred permanently from participating in copyright royalty proceedings. See Reply at 10. Nevertheless, the Judges do agree with the SDC that any arguments that MGC might make in its defense in a sur-reply to the SDC's Motion for Order to Show Cause, can be made in response to the Judges' *Order to Show Cause*. Therefore, the Judges **DENY** MGC's request to file a sur-reply.

On January 14, 2020, the Judges also received [Multigroup Claimants' Motion for Final Distribution of 2010-2013 Satellite Royalty Funds](#). Because the Judges grant SDC's Motion for Order to Show Cause, the Judges' **DENY** without prejudice MGC's motion for final distribution of satellite royalties. MGC may file another motion for final distribution following resolution of the claimant representation issues presented by the Judges' *Order to Show Cause*.

The SDC assert that certain of Alfred Galaz's representations to the U.S. Bankruptcy Court for the Northern District of Oklahoma were also false. Reply at 5-7. In particular, the SDC assert that in statements filed with the bankruptcy court Mr. Galaz: (1) failed to disclose that he owned MGC within 4 years before he filed for bankruptcy; and (2) falsely claimed that Worldwide Subsidy Group was "inactive" and that it was worth "\$0" in fair market value when in fact "[a]s of January 1, 2018, under the name 'Independent Producers Group,' Worldwide Subsidy Group was actively pursuing claims for royalties in the 2000-2003 cable proceeding...and the 2004-2009 cable and 1999-2009 satellite proceedings" and in the 2010-13 cable and satellite distribution proceedings. *Id.* at 7.

The SDC also assert that in a Declaration from Mr. Galaz that MGC filed in the current proceeding, Mr. Galaz made a statement regarding his ownership of MGC that contradicts a franchise tax filing he made in Texas in 2018. *Compare* Alfred Galaz Declaration in Support of Multigroup Claimants' Opposition to Settling Devotional Claimants' Motion for Order to Show Cause ¶ 4 (Jan. 9, 2020) ("I had already transferred all interests held by [Multigroup Claimants] into Worldwide Subsidy Group, LLC, which adopted 'Multigroup Claimants' as an assumed name. At the time of such transfer, I owned 99% of Worldwide Subsidy Group, LLC, and *effective January 1, 2018 transferred all of my interests in that entity*") with Texas Franchise Tax Public Information Report (Jun. 23, 2018), (Mr. Galaz identified as a Partner and Director (with Ruth Galaz) of Worldwide Subsidy Group LLC.) Reply at 8 and Ex. C (emphasis added). According to the SDC, "if Alfred Galaz's declaration is true, then Worldwide Subsidy Group's Public Information Report is false." Reply at 8.

The SDC contend that "[t]he revelation that Worldwide Subsidy Group has actively deceived the Judges and the parties as to the true identity of 'Multigroup Claimants' constitutes an 'unforeseen circumstance[]' that would frustrate the proper implementation of" the Judges' determination in this proceeding. Reply at 9. The SDC assert that "payment of claimant funds into the hands of a purported agent who has deceived the Judges would not be a 'proper implementation' of the Judges' final determination." *Id.* at 10. Lastly, the SDC claim that Worldwide Subsidy Group has not even attempted to show good cause for its years of delay in requesting to substitute itself for Alfred Galaz d/b/a Multigroup Claimants as required by the Judges' rules. According to the SDC, "protection of the claimants and the public requires that both Alfred Galaz and Worldwide Subsidy Group, under any name, be permanently debarred from participation in copyright royalty proceedings." *Id.*

Analysis and Conclusions

Under the Judges' rules, a claimant who believes he or she is entitled to a share of copyright royalties for a given year must file a timely claim with the CRB or have an authorized representative file a timely claim on the claimant's behalf. 37 CFR §§ 360.3 and 360.4. The claims must include a declaration of authority to file the claim and a certification of the veracity of the information contained in the claim and the good faith of the person signing in providing the information. 37 CFR §§ 360.4(b)(1)(iv) and (b)(2)(vi). In the event the legal name and/or address of the copyright owner entitled to royalties or the person or entity filing the claim changes after the filing of the claim, the filer or the copyright owner shall notify the CRB of the change. 37 CFR § 360.4(c). These provisions are not mere formalities. They are essential to ensure that only those parties entitled to a share of royalties are included in the pool of eligible claimants and that the information contained in the royalty claims remains accurate throughout the copyright royalty distribution process, which can (and usually does) last for several years

after the claim is filed. The provisions also help to ensure that when funds are available for distribution, they are paid to the claimant whose copyrighted works were used pursuant to the applicable statutory license, which is the ultimate goal of the royalty distribution process. If the good faith efforts of the CRB to contact the copyright owner or filer are frustrated because of outdated or otherwise inaccurate contact information, the claim may be subject to dismissal. 37 CFR § 360.4(c).

In their Motion, the SDC allege that MGC (and its allegedly erstwhile owner, Alfred Galaz) failed to inform and indeed intentionally misled the Judges (as well as a federal bankruptcy court) regarding certain material changes in the identity of the person or entity representing the underlying claimants initially identified by MGC in this proceeding. That failure has created uncertainty with respect to Multigroup Claimants' and Mr. Galaz's authority to continue to represent claimants that MGC purports to represent.

For its part, MGC does not dispute that Alfred Galaz at one point during the proceeding was a sole proprietor of a business operating under the fictitious business name "Multigroup Claimants" that had been assigned the right to represent claimants by Worldwide Subsidy Group LLC (WSG), a, and that on an undetermined later date he transferred that right back to WSG which, in turn, adopted "Multigroup Claimants" as an assumed name. Opposition at 3 and Galaz Declaration ¶ 4. MGC also asserts that Mr. Galaz at one time owned substantially all of WSG, but relinquished that interest effective January 1, 2018. Galaz Declaration ¶ 4.

MGC does not contend that it notified the Judges or the other parties of transfers of the right to represent claimants or changes in ownership of WSG and MGC that have occurred throughout the proceeding, but rather claims that

[a]t no time has Multigroup Claimants considered it necessary to file a "substitution of parties" under circumstances as the foregoing, i.e., where all of the interests in an entity are transferred to another entity that is owned by the identical individual, and that continues to act in the stead of that entity formally utilizing the identical name. Nonetheless, if the Judges consider it necessary to engage in such formality, clarifying that Multigroup Claimants is no longer an assumed name for Alfred Galaz, but is now an assumed name for Worldwide Subsidy Group, LLC (which had been 99% owned by Alfred Galaz at the time of transfer), Multigroup Claimants will accommodate the Judges. Beyond that accommodation, no further action is necessary or warranted.

Opposition at 7-8.

In other words, Multigroup Claimants did not believe it was required to inform the Judges of the ownership changes it had made. The Judges disagree. The Judges' rule on this point, 37 CFR 360.4(c), is very clear:

In the event the legal name and/or address of the copyright owner entitled to royalties or the person or entity filing the claim changes after the filing of the claim, the filer or the copyright owner shall notify the Copyright Royalty Board of the change.

Throughout the course of this proceeding, the names, and apparently, the controlling party or parties of the “entity”² that currently calls itself Multigroup Claimants have changed and the rights to represent claimants have been assigned. The names Independent Producers Group, Worldwide Subsidy Group, Multigroup Claimants, Spanish Language Producers as well as various members of the Galaz extended family have, at one time or another during the proceeding, been associated with the entity that now calls itself Multigroup Claimants. Whatever or whomever Multigroup Claimants is, however, it is at its core purportedly an agent representing the interests of claimants that own or control interests in copyrights that may be eligible for royalty payments pursuant to statutory licenses that the Judges administer. Who or what that entity is matters to the Judges in determining whether that person or entity can properly represent the interests of copyright claimants. As a result, it is essential that the Judges be kept informed about the legal status of the entity that would be responsible for ensuring that copyright owners receive the royalties that the Judges order to be distributed. At this point, the current record in this proceeding lacks clarity regarding the identity and ownership of the entity that calls itself Multigroup Claimants. As a result, the Judges find that it is necessary and appropriate to **GRANT** the SDC’s Motion. As such, the Judges **ORDER** MGC to **SHOW CAUSE** why MGC should not be disqualified as an agent to receive funds on behalf of claimants. Specifically, the Judges direct MGC to file in eCRB no later than ten days after the date of this order a response to this Order that provides:


- (1) The identity and legal status (*i.e.*, whether the person is an individual, a limited liability company, or some other type of entity) of every person or entity that has or has had an interest in representing any of the claimants that Multigroup Claimants purports to represent in this proceeding, as well as the percentage of legal and/or beneficial ownership interests or interest that any person or entity held or holds in the claims asserted in this proceeding.
- (2) For any person or entity identified in (1), provide the beginning and ending dates of such representation and the name under which that person or entity operated during that period (*e.g.*, Alfred Galaz d/b/a Multigroup Claimants represented all claimants’ interests from January 1, 2015 through January 1, 2018).
- (3) For any sale or transfer of interests between or among persons or entities identified in (1) provide documentation regarding the sale of interest or transfer of ownership. If no documentation is available, make an affirmative statement to that affect and provide a supporting affidavit of a person knowledgeable about such sale or transfer testifying to the transfer and explaining the absence of documentation.
- (4) For any entity identified in (1) that is not an individual provide any documentation identifying the legal status and ownership of the entity that was filed with any government agency (*e.g.*, certificate of incorporation).
- (5) For any and all transfers of ownership of any of the parties in (1) provide copies of any communication made either to the Copyright

² When MGC initially filed its Petition to Participate in this proceeding it was not an entity at all, but an individual—Alfred Galaz—doing business under the assumed name “Multigroup Claimants.”

Royalty Board or the Judges as well as any communication provided to the copyright claimants that Multigroup Claimants purports to represent as agent in this proceeding. If no such communication was provided, affirmatively state the reason why such communication was not made and provide a supporting affidavit from a person knowledgeable about the transfer of ownership.

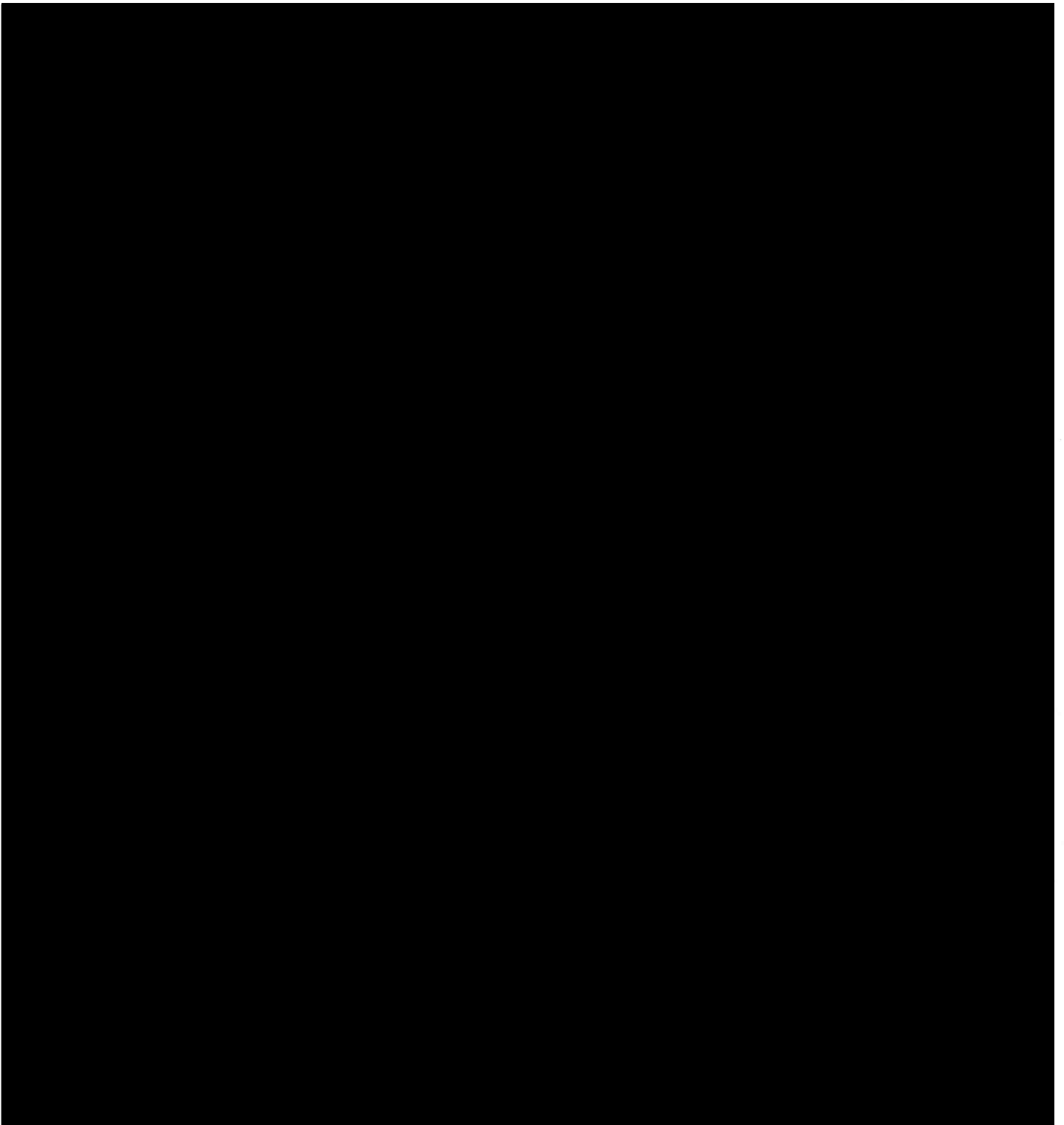
- (6) For any claimant whose representation agreement requires the claimant's consent to an assignment of the agreement, documentation evidencing such consent. *See, e.g., Ruling and Order Regarding Objections to Cable and Satellite Claims*, at 15-16) (Oct. 23, 2017).

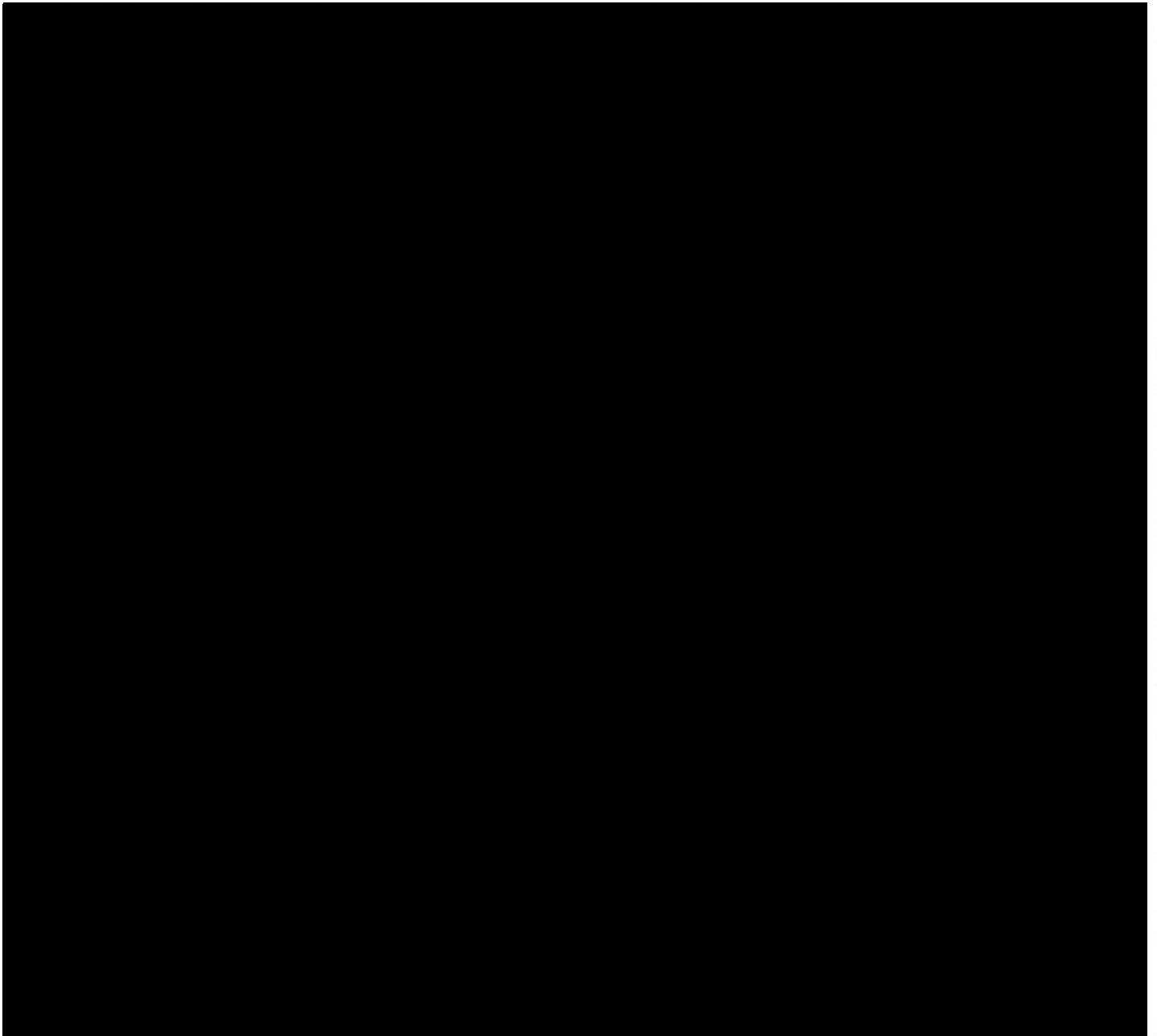
SO ORDERED.

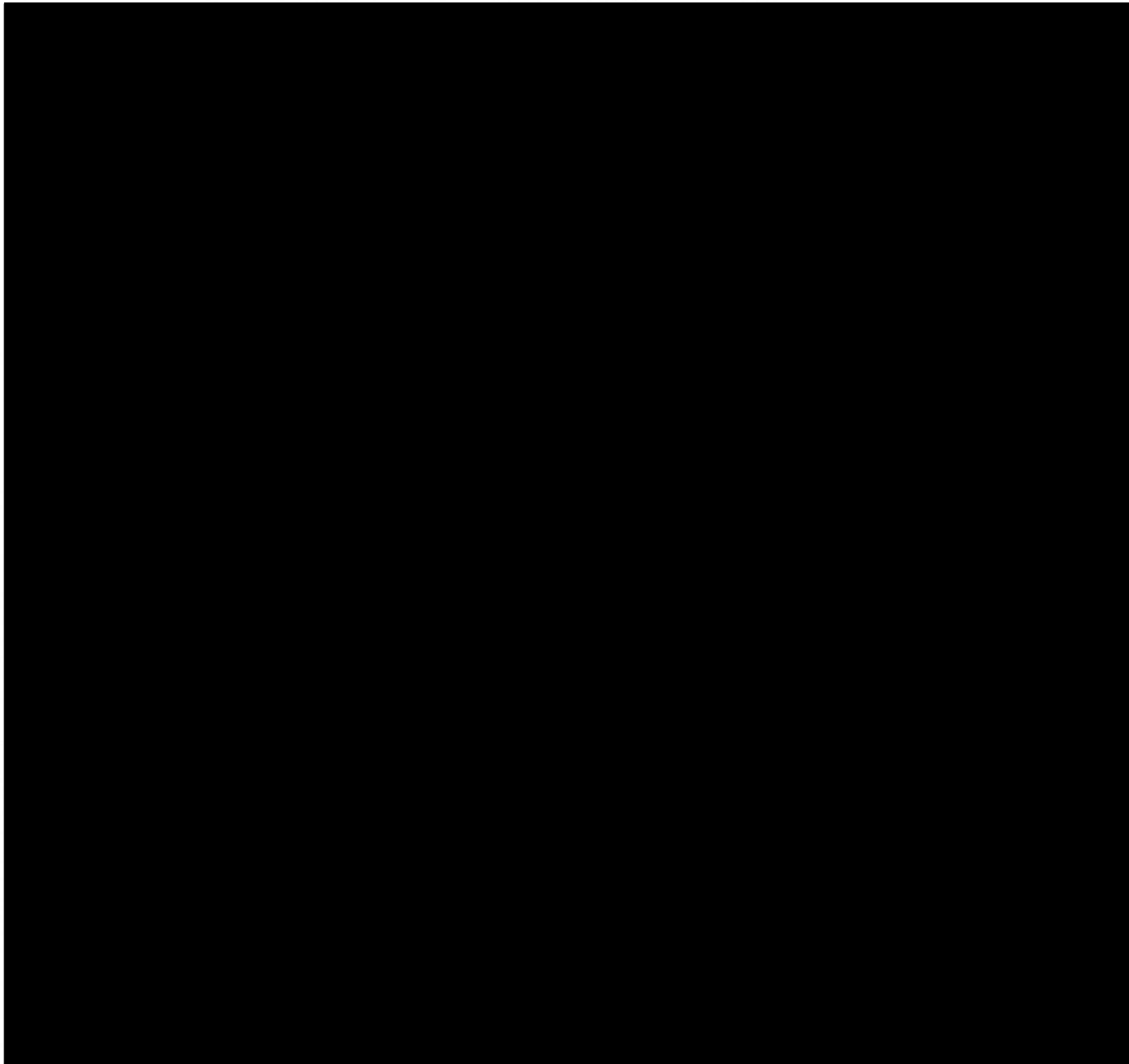
 Digitally signed
by Jesse Feder
Date:
2020.02.24
15:37:28 -05'00'

Jesse M. Feder
Chief Copyright Royalty Judge

DATED: February 24, 2020.







[PUBLIC VERSION]

Before the
COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In the Matter of)
)
Distribution of)
Cable Royalty Funds)
)
In the Matter of)
)
Distribution of)
Satellite Royalty Funds)

CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-2013)

**DECLARATION OF BRIAN BOYDSTON IN SUPPORT OF MULTIGROUP
CLAIMANTS' RESPONSE TO ORDER TO SHOW CAUSE**

I, Brian Boydston, declare:

1. I am over 18 years of age and an attorney at law duly licensed to practice law in the California. I am a partner in the law firm of Pick & Boydston, LLP, attorneys of record for Multigroup Claimants in this proceeding.
2. REDACTED

3. REDACTED

More significantly, I was not aware of any ruling that a change of ownership in any participant must be communicated to all other participants, *ad infinitum*, or at all. In fact, in response to Multigroup Claimants' discovery request for information on the then-current ownership of the SDC participants in this proceeding, the Judges expressly ruled that the SDC were not required to produce such documents. *Order Granting In Part and Denying In Part Multigroup Claimants' Motion to Compel Production by Settling Devotional Claimants* (Sept. 14, 2016), at 4. *Ipso facto*, I would not have believed there to be any obligation to update any party on Multigroup Claimants' ownership status, any more than other parties (such as the SDC) had an obligation to update Multigroup Claimants.

4. The SDC is comprised of almost twenty (20) entities in this proceeding alone, and has repeatedly informed the Judges that it is not a singular entity, but multiple entities, *each* an active participant in the allocation and distribution proceedings. Nonetheless, over the course of two decades, during which I have been counsel in the proceedings the vast majority of which, on not one occasion has the SDC ever notified IPG, Multigroup Claimants, or *any* adversary, of either the identity of the participants' ownership, or that there has been a change of ownership, for any of its participant entities.

5. In this very proceeding the SDC affirmatively challenged Multigroup Claimants' request for such ownership information, *and prevailed*. See *Order Granting in Part and Denying in Part*

Multigroup Claimants' Motion to Compel Production by Settling Devotional Claimants at 4 (Sept. 14, 2016). This was despite the fact that the SDC's challenge, and the Judges' discovery ruling, was contrary to 37 C.F.R. § 360.4(c). Such provision applies to the filers of "July claims", such as the separate entities that collectively refer to themselves as the SDC.

6. The Judges had already observed in their October 23, 2017 ruling that "[t]he same individuals who conducted IPG's business now conduct [Multigroup Claimants'] business" (*Ruling and Order Regarding Objection to Cable and Satellite Claims*, at 9) -- a fact to which Multigroup Claimants never suggested otherwise. Consequently, and in addition to the fact that there has never been a ruling that participants are expected to update other participants as to the status of their ownership,

REDACTED

7. REDACTED

In fact, and even as to the issue of IPG's transfer of interests to any other entity such as Multigroup Claimants, the Judges had already observed, months prior, that no restriction existed on IPG's authority to convey collection rights to any such third party. See *Ruling and Order Regarding Objections to Cable and Satellite Claims*, at 16 (Oct. 23, 2017).

8. REDACTED

Again,

while this information was not kept secret, it was not communicated to represented copyright holders.

9. To my knowledge, no communication was made to either the Judges or any copyright owner whose interests are represented in this proceeding, REDACTED

Again, while such fact was not hidden, no purpose existed to notify any party, nor any obligation to do so.

10. No discovery request was ever made seeking documents relating to IPG's ownership.

11. Even if such a discovery request had been made, no ruling has ever issued that a change of ownership in any participant must be communicated to all other participants, *ad infinitum*, or at all, and the Judges had expressly ruled previously that the SDC were not required to produce such documents.

12. REDACTED

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 28th day of February, 2020, at Los Angeles, California.

_____/s/_____
Brian D. Boydston, Esq.

CERTIFICATE OF SERVICE

I hereby certify that on this 28th of February, 2020, a copy of the foregoing was sent by electronic mail to the parties listed on the attached Service List.

_____/s/_____
Brian D. Boydston, Esq.

National Association of Broadcasters (NAB) aka CTV, represented by John Stewart, served via Electronic Service at jstewart@crowell.com.

MPAA-Represented Program Suppliers (MPAA), represented by Lucy H Plovnick, served via Electronic Service at lh@msk.com.

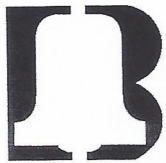
Canadian Claimants Group, represented by Victor J Cosentino, served via Electronic Service at victor.cosentino@larsongaston.com.

SESAC Performing Rights, LLC, represented by John C. Beiter, served via Electronic Service at john@beiterlaw.com.

Public Television Claimants (PTC), represented by Ronald G. Dove Jr., served via Electronic Service at rdove@cov.com

Joint Sports Claimants (JSC), represented by Ritchie T. Thomas, served via Electronic Service at ritchie.thomas@squirepb.com.

Settling Devotional Claimants (SDC), represented by Matthew MacLean, served via Electronic Service at matthew.maclean@pillsburylaw.com.



Assumed Name Records

2015000148

Certificate of Ownership for a Business or Profession

Name in which business will be conducted: MULTIGROUP CLAIMANTS
Business address: 508 RED CLOUD DR
HARKER HEIGHTS, TX 76548

This business will be conducted as: Sole Proprietor
Period during which assumed name will be used: 10 YEARS

I/WE, the undersigned am/are the owner(s) of the above business and my/our name and address given is/are true and correct, and there is/are no other ownership(s) in said business other than those listed below.

Alfred Galaz

ALFRED GALAZ
508 RED CLOUD DR, HARKER HEIGHTS, TX 76548

Number of owners included 1
No others follow.

FILED FOR RECORD
JAN 20 2015
SHELLEY COSTON
COUNTY CLK BELL CO. TEXAS

BELL COUNTY TREASURER OFFICIAL RECEIPT

County Clerk
General Payment

STATE OF TEXAS
COUNTY OF BELL
Belton

RECEIPT NUMBER

736892



Cause Number County Clerk Index

Method of Payment Cash

Comment Record Assumed Bus Name

Date January 20, 2015

Received of: **MULTIGROUP CLAIMANTS**

Amount \$5.00

Clerk M. Yoder

Customer Copy

State of Texas
County of Bell

BEFORE ME, the Undersigned Authority, on this day personally appeared the above named individual(s) known to me to be the person(s) whose name(s) is/are subscribed to the forgoing instrument and acknowledged to me that he/she/they are the owner(s) of the above named business and that he/she/they signed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office on January 20th, 2015

Shelley Coston
Bell County Clerk, Bell County, Texas

Deputy:

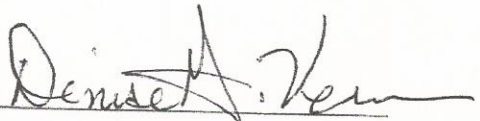
M. Yoder
Melissa L Yoder

AUTHORIZATION and TRANSFER

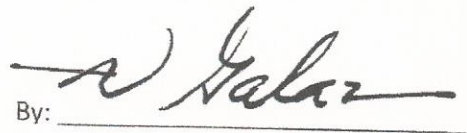
For good and valuable consideration, hereby acknowledged as received, Worldwide Subsidy Group LLC dba Independent Producers Group hereby engages and authorizes Multigroup Claimants to act as its representative in connection with all proceedings relating to U.S. cable and satellite retransmission royalties, to the extent that such proceedings relate to 2010 broadcasts and thereafter, until such parties agree otherwise. Such authorization and transfer shall apply to all categories of programming, subject to the caveat that it shall include Spanish language programming only in the event that such programming is not defined as a separate "Phase I" category, whether by order or stipulation of participants in such proceedings.

Effective Date: January 20, 2015

**WORLDWIDE SUBSIDY GROUP LLC
dba INDEPENDENT PRODUCERS
GROUP**

By: 

MULTIGROUP CLAIMANTS

By: 

Before the
COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In the Matter of)	
)	
Distribution of)	CONSOLIDATED DOCKET NO.
<u>Cable Royalty Funds</u>)	14-CRB-0010-CD/SD
)	(2010-2013)
In the Matter of)	
)	
Distribution of)	
<u>Satellite Royalty Funds</u>)	

**MULTIGROUP CLAIMANTS’ OPPOSITION TO (SECOND) JOINT MOTION TO
STRIKE MULTIGROUP CLAIMANTS’ WRITTEN DIRECT STATEMENT AND TO
DISMISS MULTIGROUP CLAIMANTS FROM THE DISTRIBUTION PHASE**

Multigroup Claimants (“MC”) hereby submits its *Opposition to (Second) Joint Motion to Strike Multigroup Claimants’ Written Direct Statements and to Dismiss Multigroup Claimants from the Distribution Phase* in the above-captioned proceeding.

ARGUMENT

**A. MULTIGROUP CLAIMANTS HAS NOT “VIOLATED THE JUDGES’
REGULATIONS” OR “FAILED TO INCORPORATE THE JUDGES’ CLAIMS
ORDER.**

The Settling Devotional Claimants (“SDC”) and the Motion Picture Association of America (“MPAA”) (collectively, the “Moving Parties”) have jointly moved to strike MC’s Written Direct Statement in the above proceedings, and dismiss all MC-represented claims for 2010-2013, on the grounds that by making a provisional claim for 100% of the devotional and program suppliers royalty pools, MC’s Direct Statement “violates the Judges’ regulations” and “made no attempt to incorporate the Judges’ October 23, 2017 claims ruling”.

1. The regulations applicable to Written Direct Statement contents.

Section 351.4(b) of the CRB regulations articulates what must be set forth in a written direct statement. That provision in its entirety, reads as follows:

(b) Required content—

(1) *Testimony.* The written direct statement ***shall*** include all testimony, including each witness's background and qualifications, along with all the exhibits.

(2) *Designated past records and testimony.* Each participating party ***may*** designate a portion of past records, including records of the Copyright Royalty Tribunal or Copyright Arbitration Royalty Panels, that it wants included in its direct statement. If a party intends to rely on any part of the testimony of a witness in a prior proceeding, the complete testimony of that witness (*i.e.*, direct, cross and redirect examination) must be designated. The party submitting such past records and/or testimony shall include a copy with the written direct statement.

(3) *Claim.* In the case of a royalty distribution proceeding, each party ***must*** state in the written direct statement its percentage or dollar claim to the fund. In the case of a rate (or rates) proceeding, each party must state its requested rate. No party will be precluded from revising its claim or its requested rate at any time during the proceeding up to, and including, the filing of the proposed findings of fact and conclusions of law.

37 C.F.R. § 351.4(b) (emphasis added).

As reflected, the only two mandatory elements are witness testimony and a claim. While no issue exists that these appear in MC's written direct statement, the Moving Parties contend that MC's stated claim was not made in good faith, was "bogus", and "made no attempt to incorporate the Judges' October 23, 2017 claims ruling".

As to the issue of “good faith”, the Moving Parties’ argument can only succeed by misrepresenting MC’s stated claim. As was set forth in as explicit a manner as possible, MC’s written direct statement reads as follows:

“As regards the distribution of 2010-2013 cable and satellite royalties, Multigroup Claimants submits no sponsored distribution methodology. Rather, ***Multigroup Claimants has elected to accept the results of methodologies submitted by adverse parties in these proceedings, subject only to modification as to their accuracy and reasonableness, and according to evidence obtained during the course of these proceedings.*** To the extent that any proposed methodologies are lacking in accuracy or reasonableness, such issues will be addressed during the rebuttal phase of these distribution proceedings. That is, Multigroup Claimants’ concession to any distribution methodology proposed by an adverse party is not unqualified. Rather, it remains subject to any adjustments warranted by information discovered during the course of these proceedings. [footnote] Moreover, following the presentation of evidence in the distribution proceeding, the Judges may elect to apply a distribution methodology that was originally submitted in one category in order to dictate the results in another category. [footnote]”

* * *

“***Pending review of the distribution methodologies advocated by other parties to these distribution proceedings,*** Multigroup Claimants makes claim to one-hundred percent (100%) of the royalties attributable to the devotional and program supplier categories, comparable to the claims for one-hundred percent of such royalties previously claimed by the Settling Devotional Claimants and the Motion Picture Association of America. Upon review and examination of any distribution methodologies submitted to the Judges, Multigroup Claimants reserves its right to revise its percentage claim according to 37 C.F.R. § 351.4(b)(3).”

MC Written Direct Statement (Dec. 29, 2017), *Test. of R. Galaz* at 3-4 (emphasis added).

Therein, in footnoted citations, MC directed the Judges to the ***identical*** circumstance as the current proceeding, in which the SDC failed to submit a proposed methodology (yet maintained its claims), ***and a prior ruling of this panel*** noting that it may elect to apply a methodology presented in one category on distributions for a different category. Citing Docket nos. 2012-6

CRB CD 2004-2009 (Phase II), 2012-7 CRB SD 1999-2009 (Phase II), *Amended Joint Order on Discovery Motions* (July 30, 2014), at 8.

As such, MC has already stated that it is working within the parameters of any methodologies submitted in these proceedings, accepted such limitation, and would revise its percentage claim upon review of those methodologies and the data upon which such methodologies are based. On what basis such position could be deemed “bad faith” is not articulated by the Moving Parties.

Regardless, if a provisional claim for “100%” of a category’s royalties is automatically deemed “bad faith”, it cannot be ignored that both of the Moving Parties have repeatedly submitted written direct statements making claim for 100% of royalties in the category they are prosecuting, including in this very proceeding.¹ While the Moving Parties argue that *their* prior claims for 100% were not in bad faith because they were provisionally subject to the Judges’ impending ruling on claims, they are indistinguishable.² Moreover, the MPAA has repeatedly submitted written direct statements that presume, without any factual basis for support, that any of thousands of competing program claims between the MPAA and its adversary will be awarded

1 See, e.g., Docket No. 14-CRB-0010-CD (2010-13), *MPAA Written Direct Statement* (June 30, 2017); Docket No. 2008-2 CRB CD 2000-2003 (Phase II), *MPAA Written Direct Statement* (May 30, 2012), at page 4, *SDC Written Direct Statement* (May 30, 2012), at page 4.

2 Ironically, the MPAA sought to have MC’s written direct statement dismissed for not specifying a percentage claim, even though the MPAA simply claimed 100% of the program suppliers pool based on the identical impending ruling. Cf. *MPAA Written Direct Statement with Multigroup Claimants’ Written Direct Statement*. Nonetheless, MC’s written direct statement was deemed “stricken”; MPAA’s written direct statement was deemed “withdrawn”. *Order Granting In Part Multigroup Claimants Expedited Motion to Continue Distribution Proceedings Following Resolution of Pending Motions* at 5 (Aug. 11, 2017).

to the MPAA,³ resulting in miniscule percentage allocations to its adversary.⁴ Earlier invocations of this allocation were not freely revealed by the MPAA or its expert Dr. Gray, but discovered only after IPG's expert witness found such allocation determination buried in programming code that was produced in discovery. *That* is bad faith.

2. The Judges' October 23, 2017 ruling.

As regards, MC's alleged failure "to incorporate the Judges' October 23, 2017 claims ruling", there is literally nothing to suggest this. First, the Judges October 23, 2017 claims ruling only addressed the validity of claims in these proceedings, not the *value* of such claims, so whether a claim is for 1% or 100% does not itself reflect whether the Judges' ruling has been incorporated or not. Regardless, MC has articulated its intent to adopt a methodology propounded by the Moving Parties, so unless *those* parties have failed to incorporate the Judges' October 23, 2017 claims ruling, as a matter of logic MC cannot be accused of failing to do so.

As best as MC understands, the Moving Parties are arguing that if a party has *any* programs remaining for allocation after the Judges' claims ruling, then it is a certainty that an adverse party cannot be allocated 100%, and that such fact renders MC's provisional claim to be

3 In this very proceeding, the MPAA purported to propose a distribution methodology, but then rather than identify the allocation to MC according to such methodology, directed its expert witness to automatically assign a zero value to all MC-represented claims. See *Written Direct Statement Regarding Distribution Methodologies of the MPAA-Represented Program Suppliers*, Test. of J. Gray at p. 3 ("I assume that none of MC's claims are valid.").

4 See, e.g., Docket No. 14-CRB-0010-CD (2010-13), *MPAA Written Direct Statement* (June 30, 2017); Docket No. 2008-2 CRB CD 2000-2003 (Phase II), *MPAA Amended Written Direct Statement* (August 20, 2012); Docket No. 2012-6 CRB CD 2004-2009 (Phase II), *MPAA Written Direct Statement* (May 9, 2014); Docket No. 2012-7 CRB SD 1999-2009 (Phase II), *MPAA Written Direct Statement* (May 9, 2014); Docket No. 2012-6 CRB CD 2004-2009 (Phase II), *MPAA Amended Written Direct Statement* (July 8, 2014); Docket No. 2012-7 CRB SD 1999-2009 (Phase II), *MPAA Amended Written Direct Statement* (July 8, 2014).

in “bad faith”. The Judges need not look far to find the hypocrisy of this argument. MC’s predecessor and MC have long maintained that the restrictions placed on a copyright owner by the Section 111 and 119 compulsory licenses mandates some allocation of royalties, while the MPAA has long challenged this concept. MC’s position has been that once a copyright owner’s work has been distantly transmitted, that owner has no authority to seek compensation from the cable system operator or satellite carrier retransmitting the program – it is licensed and there is nothing that the copyright owner can do to derive value *except* through the process followed here.

From IPG’s perspective, to accord no value to a licensed program because there was no *ex ante* proof of viewership, is the equivalent of buying groceries then seeking a refund from the grocery store because no one ate them and they sat in the refrigerator. Regardless, while earlier rulings of the CARP embraced IPG’s concept, the CRB has rejected it, instead adopting that volume of programming is to be generally disregarded in lieu of viewership evidence, and ruling that if there is no evidence of viewership, a program is deemed valueless.⁵

For certain, MC would have preferred to have asserted a claim to whatever figures were adopted by the submitted methodologies. Moreover, MC did not *expect* that the methodologies advocated by either the SDC or MPAA would render an allocation of 100% of either the

5 Docket No. 2008-2 CRB CD 2000-2003 (Phase II), *Distribution of the 2000, 2001, 2002 and 2003 Cable Royalty Funds*, 78 Fed. Reg. 64,984 at 65,000 (Oct. 30, 2013):

“The Judges find [IPG’s] methodology unacceptable. Even if viewership as a metric for determining royalties may be subject to some adjustment in light of the economic incentives facing a CSO, there is certainly no basis to allow for compensation in the absence of any evidence of viewership.”

devotional or program suppliers category to MC. Nonetheless, it was the Moving Parties that previously demanded that every written direct statement assert some percentage or monetary claim, even if the submitting entity realized the inadequacy of information upon which it has relied. Now, amazingly, the Moving Parties seek dismissal of all MC claims despite MC adopting the Moving Parties' methodologies that accord value to MC's claims.

B. NO UNIQUELY CONSTRUCTED DISTRIBUTION METHODOLOGY IS REQUIRED AND, CONTRARY TO THE MOVING PARTIES' ASSERTION, MULTIGROUP CLAIMANTS HAS SET FORTH A DISTRIBUTION METHODOLOGY.

In the current proceedings, MC determined that it was not worthwhile to propose a uniquely constructed distribution methodology. Initially, provided that there are a sufficient number of measurements to be considered in a study, MC's assignor (Independent Producers Group; "IPG") witnessed in prior proceedings that the results between methodologies proposed by IPG and certain methodologies substantially similar to those presented in these proceedings did not generate a substantially different result.⁶ As a result of the methodologies already presented in the allocation phase of this proceeding and the data described in the direct statements that were submitted, MC already anticipated (correctly) that methodologies substantially similar to prior Phase II methodologies would be presented in this distribution phase. As such, MC's choice was to either resubmit methodologies that this panel has consistently rejected, or redundantly submit the same information and methodology that this

⁶ Primary differences arose from the adversary parties' unwarranted disparate treatment of programs controlled by IPG versus the adversary party that were not openly revealed (e.g., commands hidden in computer code).

panel has accepted and was already being presented as part of an adversary's methodology in this distribution phase. Both alternatives would present an extraordinary expense for no perceived benefit. Neither alternative made sense from the standpoint of these proceedings and, candidly, MC's decision could substantially narrow the issues for this proceeding.

As an initial matter, the Moving Parties incorrectly contend that a distribution methodology is required to be submitted by a party in order to preserve the validity of a party's represented claims. *If such were the case*, then the SDC's failure to submit *any* distribution methodology (uniquely constructed, or otherwise) as part of its direct statement in the 2000-2003 cable proceedings (Phase II) would have automatically invalidated all SDC claims in such proceeding, rendering an award to Independent Producers Group of 100% of the devotional programming pool. Such did not occur, nor would have been reasonable. 78 Fed. Reg. 64984, at 65004-05 (Oct. 30, 2013). The fact that the SDC presented no methodology (uniquely constructed, *or otherwise*) was not a basis for dismissing all claims of the SDC, but only the basis for disregarding any untimely presented methodology of the SDC.⁷

Second, although MC has presented witness testimony and a percentage claim, the regulations requiring the submission of testimony and a percentage or dollar claim to the fund are more reasonably read to mean that such elements must be included in direct statements *if* a party is proposing a uniquely constructed distribution methodology. If a party is proposing a uniquely

⁷ The Judges referred to the SDC's post-facto attempt to introduce a distribution methodology a year late as "trial by ambush". 78 Fed. Reg. 64984, at 65004 (Oct. 30, 2013). Despite the Judges' order that the SDC was prohibited from asserting its own distribution methodology, it did not prohibit the SDC from challenging IPG's distribution methodology. More to the point, however, the Judges did not invalidate the claims of the SDC. *Id.* at 65005. Notwithstanding,

constructed distribution methodology, then it makes rational sense that the party must identify all testimony relied on and the results of the methodological processes, i.e., the percentage or dollar share for which the party is making claim. However, for any party content to accept the methodology submitted by an adversary party, subject only to modifications as to the reasonableness of such methodology and other evidence submitted in the rebuttal phase of proceedings, there is no “testimony” to submit.⁸ Such fact renders 37 C.F.R. Section 351.4(b)(1) moot in such context. Similarly, Section 351.4(b)(3) is mooted if the party agrees that it is content to work from the adversary party’s proposed methodology and, in any event, such provision expressly states that:

“No party will be precluded from revising its claim or its requested rate at any time during the proceeding up to, and including, the filing of the proposed findings of fact and conclusions of law.”

As such, while a party could arbitrarily assert a claim to 100% (or 50%, or 1%) of a pool pending review of the adversary’s methodology, solely to satisfy such regulation’s requirement that *some* figure be presented, a party articulating that such percentage claim would be arbitrary until further specified information is received (such as the receipt of supporting data) is not disingenuous. On the contrary, it is a more truthful statement as to the status of matters, particularly if it identifies the yet-to-be-secured information, as was identified by MC.

that is precisely what the Moving Parties advocate here.

⁸ The only caveat to this statement would have been the presentation of witness testimony to address the validity of claims, which at the time the CRB regulations were adopted, was addressed *after* the submission of written direct statements. However, with the Judges’ modification of the process to have the claims hearing precede the submission of written direct statements, such issue appears to have been mooted.

The Moving Parties' brief is unclear and misleading. On one hand, the Moving Parties argue that in order for a valid claimant to receive any portion of the program category pools, they must submit a written direct statement advocating a distribution methodology. Nonetheless, review of the Moving Parties' brief presumes that concession to an advocating party's methodology is insufficient, i.e., that a valid claimant must go farther and submit a "uniquely constructed" methodology that has been constructed by that claimant. Such an argument suggests that there *must* be extensive disagreement even where no disagreement or limited disagreement exists. In fact, the Moving Parties' argument would contend that even an outrageously dimwitted methodology would satisfy the requirements of a written direct statement, whereas acceding to a competing methodology would not.⁹ Quite simply, there is nothing in any regulation, statute or decision to support such a holding, nor does it comport with common sense.

In order to support the less objectionable concept, that some methodology must be elected, even if not a methodology uniquely created by the claimant, the Moving Parties cite to an order in this proceeding that addressed an entirely different concept.¹⁰ As the Judges are aware,

⁹ The Moving Parties seek to prematurely challenge the rationale of the percentage claim, a process that is handled in the rebuttal phase of proceedings. By equal logic, the Moving Parties' argument would rationalize a party seeking to dismiss an adversary party's written direct statement on other grounds, prior to the rebuttal portion of proceedings. For example, in the 2000-2003 Phase II proceedings (remand), the SDC has submitted a methodology that is far more rudimentary than a methodology that the Judges had already dismissed as inadequate. See generally, Docket No. 2008-2 CRB CD 2000-2003 (Remand), *IPG Written Rebuttal Statement*. While IPG addressed this fact within IPG's written rebuttal statement, the Moving Parties suggestion is that such matter could be addressed prior to the rebuttal phase, in separate briefing, as is occurring here.

¹⁰ See *Order Granting In Part Allocation Phase Parties' Motion to Dismiss Multigroup Claimants and Denying Multigroup Claimants' Motion for Sanctions Against Allocation Phase*

the cited ruling related to a motion by *allocation* phase parties to dismiss MC from the *allocation* phase of this proceeding, and MC's cross-motion seeking sanctions for the allocation phase parties' refusal to produce discovery unique to the *allocation* phase of this proceeding. No issue existed that MC was not participating in the allocation phase of this proceeding, or that MC had not filed a written direct statement relating to the allocation phase. At issue was what discovery obligations existed between allocation and distribution phase participants by virtue of the proceeding being deemed a single integrated proceeding (i.e., allocation and distribution) and, additionally, the fact that distribution phase participants had already been required to produce distribution-related discovery to allocation phase parties with whom there was no dispute. Taken in that context, the excerpt cited by the Moving Parties from the August 11 Order appears as either irrelevant or dicta.

The first concept addressed in the cited excerpt is as follows:

“Filing of a written direct statement in each phase remains an essential requirement for further participation in *that* phase of the proceeding.”

August 11 Order at 3 (emphasis added). Quite simply, the Judges ruled that, despite allocation and distribution phases of the proceeding being part of the same “proceeding”, MC was required to file a written direct statement relating to allocation issues in order to participate in *that* phase of the proceeding.

The second concept addressed in the cited excerpt is as follows:

Parties (August 11, 2017). Conspicuously, nowhere do the Moving Parties provide the full title of the order, simply referring to it as the *August 11 Order*, even though three different orders issued on such date in this proceeding. Providing the full title would have made clear the irrelevance of such order to the issue before the Judges here.

“Articulating one’s *allocation* methodology and presenting the evidence supporting it is the most basic, indispensable element of any party’s participation in adjudicating *allocation* issues. Failing to do so is inimical to a party’s continued participation in the category *allocation* decision.”

August 11 Order at 3 (emphasis added). Again, the Judges ruled that by MC not articulating an *allocation* methodology, it could not participate in addressing *allocation* issues. Nonetheless, such language was dicta from the standpoint that MC was not participating in the allocation phase, *at all*. That is, MC did not file a written direct statement, and was not taking any position as to whether one or another distribution methodology should apply. MC’s motion asserting its entitlement to discovery was based on its interpretation of the Judges’ rulings requiring an exchange of discovery between allocation and distribution phase participants. Further, the Judges did not previously dismiss MC’s written direct statement in the distribution phase of this proceeding because it failed to set forth a particular methodology, but rather because it “include[d] none of the required elements of a written direct statement set forth in 37 C.F.R. § 351.4(b).” See *Order Granting In Part Multigroup Claimants’ Expedited Motion To Continue Distribution Proceedings Following Resolution of Pending Motions* at 2 (August 11, 2017).

By contrast to the foregoing circumstance, MC *has* filed a written direct statement in the distribution phase, *has* included all of the required elements, and *has* identified the distribution methodologies to which it will accept. While the Moving Parties’ cite MC’s written direct statement that MC “submits no sponsored distribution methodology”, taken in context this statement is clearly asserting that MC is not presenting a “uniquely constructed” distribution methodology that has been constructed by MC. It is not stating that MC is refusing to accept the results of methodologies submitted by adverse parties in these proceedings, as the Moving

Parties suggest, and text to the exact contrary appear in MC's written direct statement (see above). Specifically, MC's written direct statement clarifies that MC has agreed to "*accept the results of methodologies submitted by adverse parties in these proceedings*".

Whereas the Moving Parties utilize their stylistic inflammatory rhetoric, accusing MC of "sandbagging" to make "cherry-picked adjustments", to file a "placeholder pleading", in order to obtain a "second bite at the apple", the very logic of these statement fails. MC has forfeited any right to submit its own uniquely-constructed methodology, and only retains the same right that it would otherwise have to issue rebuttal against an adverse party. Exposing calculation and other errors with an adverse methodology and arguing for adjustments thereunder, is far from presenting a uniquely constructed methodology. That is, no different than in any proceeding previously before the CRB and its predecessors, a party may logically argue that a methodology is failing in a particular manner, then argue for the adjustment that would remedy such error. Methodologies need not be, nor have ever been required to be, taken on an all-or-nothing basis, as the Moving Parties suggest.

CONCLUSION

In sum, the Judges have before them the proverbial "pot calling the kettle black". Multigroup Claimants has engaged in no act in violation of the regulations, no act that disregards this panel's order, and no act that either of the Moving Parties have not engaged in on multiple occasions. The only difference is that MC has been forthright regarding its rationale for its claim, and explained its intent to modify its claim to comport with any submitted methodologies once the underlying data supporting those methodologies has been produced. The Moving Parties seek the dismissal of all MC claims despite the fact that the written direct statements of

both Moving Parties concede that MC is entitled some percentage of the devotional and program suppliers category funds.

Respectfully submitted,

January 17, 2018

_____/s/_____
Brian D. Boydston, Esq.
PICK & BOYDSTON, LLP
10786 Le Conte Ave.
Los Angeles, California 90024
Telephone: (213)624-1996
Facsimile: (213)624-9073
Email: brianb@ix.netcom.com

Attorneys for Multigroup Claimants

CERTIFICATE OF SERVICE

I hereby certify that on this 17th of January, 2018, a copy of the foregoing was sent by electronic mail to the parties listed on the attached Service List.

_____/s/_____
Brian D. Boydston, Esq.

MPAA-REPRESENTED PROGRAM SUPPLIERS

Gregory O. Olaniran, Esq.
MITCHELL SILBERBERG & KNUPP LLP
1818 n Street N.W., 8th Floor
Washington, DC 20036
Tel: 202-355-7817
goo@msk.com; lhp@msk.com

NATIONAL ASSOCIATION OF BROADCASTERS BROADCASTER CLAIMANTS GROUP

John I. Stewart, Esq.
CROWELL & MORING LLP
1001 Pennsylvania Avenue NW
Washington, DC 20004
Tel: 202-6242-2685
jstewart@crowell.com

CANADIAN CLAIMANTS GROUP

L. Kendall Satterfield, Esq.
SATTERFIELD PLLC
1629 K Street, NW, St 300
Washington, DC 20006
Tel: 202-337-8000
lksatterfield@satterfield-pllc.com

Victor Cosentino
LARSON & GATSON LLP

200 S. Robles Ave., Suite 530
Pasadena, CA 91101
Tel: 626-795-6001
Victor.cosentino@larsongaston.com

SETTLING DEVOTIONAL CLAIMANTS

Arnold P. Lutzker, Esq.
LUTZKER & LUTZKER LLP
1233 20th Street, NW , Suite 703
Washington, DC 20036
Tel: 202-408-7600
arnie@lutzker.com

Matthew MacLean, Esq.
PILSBURY WINTHROP SHAW PITTMAN LLP
1200 Seventeenth Street NW
Washington, DC 20036
Matthew.maclean@pillsburylaw.com
clifford.harrington@pillsburylaw.com

JOINT SPORTS CLAIMANTS

Robert Alan Garrett
ARNOLD AND PORTER LLP
601 Massachusetts Ave., NW
Washington, DC 20001
Tel: 202-942-5000
Robert.garrett@apks.com; sean.laane@apks.com; Michael.kientzle@apks.com

Michael J. Mellis
OFFICE OF THE COMMISSIONER OF BASEBALL
245 Park Avenue
New York, NY 10167
Tel: 212-931-7800
Mike.Mellis@mlb.com

Phillip R. Hochberg, Esq.
LAW OFFICES OF PHILLIP R. HOCHBERG
12505 Park Potomac Avenue, 6th Floor
Potomac, MD 20854

Tel: 301-230-6572
phochberg@shulmanrogers.com

Ritchie T. Thomas, Esq.
SQUIRE PATTON BOGGS
2550 M Street Northwest
Washington, DC 20037
Tel: 202-457-6000
Ritchie.thomas@squirepb.com

PUBLIC BROADCASTING
Covington & Burlington, LLP
Ronald G. Dove, Jr., Esq.
One City Center
850 Tenth Street, NW
Washington, D.C., 20001-4956

Email: rdove@cov.com
ltonsager@cov.com
dcho@cov.com

Before the
COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In the Matter of)	
)	
Distribution of)	CONSOLIDATED DOCKET NO.
<u>Cable Royalty Funds</u>)	14-CRB-0010-CD/SD
)	(2010-2013)
In the Matter of)	
)	
Distribution of)	
<u>Satellite Royalty Funds</u>)	

**MULTIGROUP CLAIMANTS' OPPOSITION TO MPAA MOTION TO QUASH
DISCOVERY REQUESTS OF MULTIGROUP CLAIMANTS**

Multigroup Claimants ("MC") hereby submits its *Opposition to MPAA Motion to Quash
Discovery Requests of Multigroup Claimants* in the above-captioned proceeding.

ARGUMENT

**A. THE MPAA'S MOTION TO QUASH MULTIGROUP CLAIMANTS'
DISCOVERY RESTS ENTIRELY ON THE JUDGES' RULING ON THE "JOINT
MOTION TO STRIKE MULTIGROUP CLAIMANTS' WRITTEN DIRECT
STATEMENT", AND NO OTHER BASIS. THE MPAA AND SDC HAVE
PREVIOUSLY PARTICIPATED IN SUBSTANTIALLY SIMILAR
PROCEEDINGS, WITH NO CONSEQUENCE TO THE CLAIMS OF THE
PARTICIPANT, AND MISREPRESENTED SUCH FACT TO THE JUDGES.**

The Motion Picture Association of America ("MPAA") previously moved to strike MC's
Written Direct Statement in the above proceedings, and dismiss all MC-represented claims for
2010-2013. As is immediately apparent, the entire basis of the MPAA's *Motion to Quash
Discovery of Multigroup Claimants* rests on the outcome of that previously-submitted motion,
and no other grounds.

Presumably, the MPAA believes that the Judges are not sufficiently astute to recognize

the MPAA's gross mischaracterization of Multigroup Claimants' written direct statement. That insulting fact is the only reasonable explanation for the MPAA's repeated statement that Multigroup Claimants "did not file" a written direct statement.

For risk of being repetitive of the arguments set forth in Multigroup Claimants' *Opposition to Motion to Strike the Written Direct Statement of Multigroup Claimants*, Multigroup Claimants **has** filed a written direct statement in the distribution phase, **has** included all of the required elements, and **has** identified the distribution methodologies to which it will accept. While the MPAA asserts that MC's written direct statement failed to submit to a distribution methodology, such was not the case. MC did not present a "uniquely constructed" distribution methodology that was constructed by MC, but expressly stated that MC has agreed to "accept the results of methodologies submitted by adverse parties in these proceedings". As is clear from all statutes and regulations pertaining to the filing of written direct statements, no obligation exists to submit to *any* particular distribution methodology as part of any written direct statement, yet MC nonetheless did so. See 37 C.F.R. § 351.4(b).

In fact, Multigroup Claimants' situation is not unique. When Multigroup Claimants responded to the *Joint Motion to Strike Written Direct Statement of Multigroup Claimants*, filed by the MPAA and the SDC, Multigroup Claimants was able to identify at least one proceeding in which the SDC presented no distribution methodology, yet such fact did not affect the claims of the SDC under a competing party's methodology (IPG's), or the SDC's entitlement to engage in rebuttal directed toward IPG's proposed methodology. See *Multigroup Claimants' Opposition to the Joint Motion to Strike Written Direct Statement of Multigroup Claimants* (Jan. 17, 2018), citing 2000-2003 cable proceeding (Phase II). More on point, Multigroup Claimants has

identified yet *another* proceeding in which the SDC submitted no methodology, but different from the 2000-2003 cable proceeding (Phase II), the SDC affirmatively advocated application of another party's methodology – *exactly as Multigroup Claimants has done in this proceeding*. See *Distribution of the 2004 and 2005 Cable Royalty Funds*, 75 Fed. Reg. 57063, 57075 (Sept. 17, 2010).

In the 2004-2005 cable proceeding (Phase I), the SDC advocated application of the JSC's sponsored Bortz survey, presenting no methodology of its own. In fact, the *only* testimony offered by the SDC was by witness Dr. William Brown, whose testimony was for the purpose of rationalizing the increase of devotional programming share under the Bortz survey since the 1990-1992 proceeding. As reflected by the decision, the Judges found Dr. Brown's testimony to be unsubstantiated opinion, totally lacking in any value.¹

The existence of this example is poignant for several facts. First, the Judges' decision makes abundantly clear that the SDC remained as a participant in the proceeding, and was awarded a share based on its claims. Second is the fact that both the MPAA and the SDC took part in such proceeding, including certain counsel of record for both parties in *this* proceeding. Consequently, the MPAA and SDC have sought to distort the precedent applicable to these proceedings despite firsthand knowledge that a party's advocacy of another party's methodology, without presentation of its own uniquely constructed methodology, has no consequence on the viability of claims. At a certain point, the Judges must accept that such is not mere advocacy, but

¹ See *Distribution of the 2004 and 2005 Cable Royalty Funds*, 75 Fed. Reg. 57063, 57075 (Sept. 17, 2010) (“The testimony offered [by Dr. William Brown on behalf of the SDC] regarding growth of devotional programming and avidity and loyalty of devotional viewers was anecdotal in nature and comprised largely of unsupported opinion.”).

a fraud on the Court, one that should not be taken lightly.

In any event, although Multigroup Claimants would never advocate doing so, nothing prohibits a party from asserting a claimed percentage or dollar amount to a fund, then asserting that it is based on nothing more than the unsubstantiated opinion of a sponsoring witness. As noted in the example above, the SDC has done *exactly* this in the past and, predictably, the results of such SDC “methodology” was found totally lacking in merit. *Id.* Nonetheless, such meritless methodology did not result in the dismissal of all SDC claims.² Rather, it simply resulted in the Judges’ adoption of an adversary’s methodology.

Even ignoring the MPAA’s knowing misrepresentation of precedent by seeking to strike Multigroup Claimants’ written direct statement, an extraordinarily offensive aspect of the MPAA motion is the MPAA’s repeated claim that by Multigroup Claimants not submitting a uniquely constructed methodology, and merely having an ability to check the MPAA’s methodology by means of the rebuttal process, MC has obtained an unfair strategic advantage by “obtaining a preview of other parties’ cases *before presenting its own*”.³ MPAA motion at 2 (emphasis

² *Ergo*, in *Multigroup Claimants’ Opposition to Motion to Strike the Written Direct Statement of Multigroup Claimants*, Multigroup Claimants observed that the moving parties would contend that even an outrageously dimwitted methodology would satisfy the requirements of a written direct statement, whereas acceding to a competing methodology would not.

³ As but another example of gross mischaracterization, the MPAA states, “Nor is MPAA aware of any instance where a party was permitted to sit on the sidelines of a distribution proceeding, watch other parties submit their own testimonies and exhibits advocating a distribution methodology, *and thereafter file its own testimonies and exhibits advocating a methodology for the first time in rebuttal, as MGC proposes to do in this proceeding.*” MPAA motion at 2-3 (emphasis added). To support this statement, the MPAA cites to Multigroup Claimants’ written direct statement, which says *nothing* about Multigroup Claimants intent or ability to submit its own methodology.

added). The only way for such statement to make sense is to mischaracterize a party's rebuttal against another party's written direct statement as a presentation of a uniquely constructed methodology, which it is not. Nevertheless, using this logic-starved assertion as its predicate, the MPAA conclude that by allowing MC to engage in *any* rebuttal to the MPAA-proposed methodology, i.e., allowing MC to engage in even the most meager fact-checking to verify whether the MPAA methodology generates the results it asserts to produce, MC is presenting "its own" methodology. Based on this ridiculous statement, the MPAA concludes that MC has presented a "placeholder pleading" – accusing Multigroup Claimants of the very act in which it is engaged. See *infra*.

B. THE MPAA NEVER INTENDED TO COMPLY WITH ITS DISCOVERY OBLIGATIONS, HAS FILED A "PLACEHOLDER PLEADING", AND IS FORECLOSED FROM RAISING ANY FURTHER OBJECTIONS TO MULTIGROUP CLAIMANTS' DISCOVERY REQUESTS.

The Judges prior scheduling order in this proceeding gives no details about the schedule for discovery, directing only that discovery commence on December 29, 2017 and conclude on March 1, 2018. See *Order Consolidating Proceedings and Reinstating Case Schedule* (Dec. 22, 2017). Nevertheless, given the time typically required to review direct statements, draft discovery, respond to discovery, produce documents in response to discovery, analyze produced documents with the assistance of expert witnesses, submit "follow-up" discovery, respond to the "follow-up" discovery and produce documents in response thereto, a very tight timeline exists. The Judges provided only two months for all the foregoing to occur, and even with cooperating parties, this timeline would be difficult to accomplish. Nonetheless, on multiple prior occasions the task has been accomplished by cooperating counsel.

As should be expected, the Judges presumed that the parties and their counsel would act professionally and cooperate in this proceeding. The MPAA has not. In order to accommodate the Judges' scheduling order, and provide a schedule on which all parties could rely, Multigroup Claimants proposed a discovery schedule to the MPAA. Multigroup Claimants made the proposal *prior* to the submission of written direct statements, on December 21, 2017, and the MPAA simply did not respond. See **Exhibit A**. Following the aforementioned order consolidating proceedings and moving the filing date for written direct statements from December 22, 2017 to December 29, 2017, Multigroup Claimants revised the proposal in order to extend all the proposed dates by an additional week, and *again* submitted the proposed discovery schedule. See **Exhibit B**. Even prior to seeing Multigroup Claimants' written direct statement, the MPAA declined to agree, and already anticipating its intent to not cooperate with discovery in this proceeding, the MPAA refused to propose an alternative to Multigroup Claimants' proactive proposal.⁴ *Id.*

It is therefore ironic that the MPAA's motion alleges Multigroup Claimants' written direct statement is a "placeholder pleading", when the *only* party submitting a "placeholder pleading" in these proceedings is the MPAA.⁵ What is before the Judges, therefore, is a

4 The basis provided by the MPAA to refusing to agree to a discovery schedule was its ostensible need to first see Multigroup Claimants' written direct statement. Nonetheless, in all prior proceedings, discovery schedules were proposed and agreed upon between the parties *prior* to the filing of written direct statements. That is, the MPAA never previously insisted that a discovery schedule was predicated on first seeing an adversary party's written direct statement.

5 Of course, it should not be lost on the Judges that in the Allocation phase of these proceedings, the MPAA has attempted to modify its written direct statement a few weeks prior to the trial proceeding, and yet in the consolidated 1999-2009 satellite/2004-2009 cable proceeding referred to Independent Producer Groups amendment to its written direct statement mere days after its initial filing as a "placeholder pleading". The mischaracterization of IPG's pleading was

circumstance in which the MPAA has filed a motion to quash based on an argument that is not only logically indefensible, but is without legal precedent *and* runs contrary to what has occurred in prior proceedings in which the MPAA was a firsthand participant. In order to push its indefensible argument along, the MPAA has misrepresented the law to the Judges, and mischaracterized Multigroup Claimants' ability to engage in the rebuttal phase of the proceedings as "a presentation of a methodology of Multigroup Claimants' own making". Taken in the context of the MPAA's clearly reflected intent to not engage in discovery *at all*, the MPAA's motion to quash is revealed for exactly what it is – a bad faith refusal to partake in these proceedings.

CONCLUSION

Multigroup Claimants timely propounded discovery requiring response from the MPAA no later than January 15, 2018. At this point, the parties are halfway through the defined discovery period, which is scheduled to conclude on March 1, 2018. The MPAA's strategic dilatory tactic, made by misrepresenting the law and processes that this panel of Judges has previously required be followed, will unduly prejudice Multigroup Claimants far more than any act for which IPG has previously been sanctioned. The MPAA is well aware of this fact, well aware of the consequences for refusing to engage in discovery, and the only proper remedy is to impose a discovery sanction on the MPAA on par with that previously imposed on Multigroup Claimants' predecessor, IPG.

made despite the fact that IPG's amendment was submitted even prior to the submission of discovery requests, demonstrating that there was no cognizable benefit to IPG delaying submission of its corrected expert witness testimony.

For the foregoing reasons, the MPAA's motion to quash should be forthwith denied, and the MPAA should be ordered to immediately produce all responsive documents.

Respectfully submitted,

January 29, 2018

_____/s/_____
Brian D. Boydston, Esq.
PICK & BOYDSTON, LLP
10786 Le Conte Ave.
Los Angeles, California 90024
Telephone: (213)624-1996
Facsimile: (213)624-9073
Email: brianb@ix.netcom.com

Attorneys for Multigroup Claimants

CERTIFICATE OF SERVICE

I hereby certify that on this 29th of January, 2018, a copy of the foregoing was sent by electronic mail to the parties listed on the attached Service List.

_____/s/_____
Brian D. Boydston, Esq.

MPAA-REPRESENTED PROGRAM SUPPLIERS

Gregory O. Olaniran, Esq.
MITCHELL SILBERBERG & KNUPP LLP
1818 n Street N.W., 8th Floor
Washington, DC 20036
Tel: 202-355-7817
goo@msk.com; lhp@msk.com

NATIONAL ASSOCIATION OF BROADCASTERS BROADCASTER CLAIMANTS GROUP

John I. Stewart, Esq.
CROWELL & MORING LLP
1001 Pennsylvania Avenue NW
Washington, DC 20004
Tel: 202-6242-2685
jstewart@crowell.com

CANADIAN CLAIMANTS GROUP

L. Kendall Satterfield, Esq.
SATTERFIELD PLLC
1629 K Street, NW, St 300
Washington, DC 20006
Tel: 202-337-8000
lksatterfield@satterfield-pllc.com

Victor Cosentino
LARSON & GATSON LLP

200 S. Robles Ave., Suite 530
Pasadena, CA 91101
Tel: 626-795-6001
Victor.cosentino@larsongaston.com

SETTLING DEVOTIONAL CLAIMANTS

Arnold P. Lutzker, Esq.
LUTZKER & LUTZKER LLP
1233 20th Street, NW , Suite 703
Washington, DC 20036
Tel: 202-408-7600
arnie@lutzker.com

Matthew MacLean, Esq.
PILSBURY WINTHROP SHAW PITTMAN LLP
1200 Seventeenth Street NW
Washington, DC 20036
Matthew.maclean@pillsburylaw.com
clifford.harrington@pillsburylaw.com

JOINT SPORTS CLAIMANTS

Robert Alan Garrett
ARNOLD AND PORTER LLP
601 Massachusetts Ave., NW
Washington, DC 20001
Tel: 202-942-5000
Robert.garrett@apks.com; sean.laane@apks.com; Michael.kientzle@apks.com

Michael J. Mellis
OFFICE OF THE COMMISSIONER OF BASEBALL
245 Park Avenue
New York, NY 10167
Tel: 212-931-7800
Mike.Mellis@mlb.com

Phillip R. Hochberg, Esq.
LAW OFFICES OF PHILLIP R. HOCHBERG
12505 Park Potomac Avenue, 6th Floor
Potomac, MD 20854

Tel: 301-230-6572
phochberg@shulmanrogers.com

Ritchie T. Thomas, Esq.
SQUIRE PATTON BOGGS
2550 M Street Northwest
Washington, DC 20037
Tel: 202-457-6000
Ritchie.thomas@squirepb.com

PUBLIC BROADCASTING
Covington & Burlington, LLP
Ronald G. Dove, Jr., Esq.
One City Center
850 Tenth Street, NW
Washington, D.C., 20001-4956

Email: rdove@cov.com
ltonsager@cov.com
dcho@cov.com

Before the
COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In the Matter of)
)
Distribution of)
Cable Royalty Funds)
)
In the Matter of)
)
Distribution of)
Satellite Royalty Funds)

CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-2013)

**MULTIGROUP CLAIMANTS' OPPOSITION TO SETTLING DEVOTIONAL
CLAIMANTS' MOTION TO QUASH DISCOVERY REQUESTS
OF MULTIGROUP CLAIMANTS**

Brian D. Boydston, Esq.
PICK & BOYDSTON, LLP
10786 Le Conte Ave.
Los Angeles, California 90024
Telephone: (213)624-1996
Facsimile: (213)624-9073
Email: brianb@ix.netcom.com

Attorneys for Multigroup Claimants

ARGUMENT

A. THE SDC NEVER INTENDED TO COMPLY WITH ITS DISCOVERY OBLIGATIONS, AND SUBMITTED AN UNTIMELY MOTION TO QUASH DISCOVERY.

The Judges prior scheduling order in this proceeding gives no details about the schedule for discovery, directing only that discovery commence on December 29, 2017 and conclude on March 1, 2018. See *Order Consolidating Proceedings and Reinstating Case Schedule* (Dec. 22, 2017). Nevertheless, given the time typically required to review direct statements, draft discovery, respond to discovery, produce documents in response to discovery, analyze produced documents with the assistance of expert witnesses, submit “follow-up” discovery, respond to the “follow-up” discovery and produce documents in response thereto, a very tight timeline exists. The Judges provided only two months for all the foregoing to occur, and even with cooperating parties, this timeline would be difficult to accomplish. Nonetheless, on multiple prior occasions the task has been accomplished by cooperating counsel.

As should be expected, the Judges presumed that the parties and their counsel would act professionally and cooperate in this proceeding. The Settling Devotional Claimants have not. In order to accommodate the Judges’ scheduling order, and provide a schedule on which all parties could rely, Multigroup Claimants (“MC”) proposed a discovery schedule to the SDC that was consistent with discovery timelines agreed to in prior proceedings. MC made the proposal *prior* to the submission of written direct statements, on December 21, 2017, and the SDC simply did not respond. See **Exhibit A**. Following the aforementioned order consolidating proceedings and moving the filing date for written direct statements from December 22, 2017 to December 29, 2017, MC revised the proposal in order to extend all the proposed dates by an additional week,

and *again* submitted the proposed discovery schedule. See **Exhibit B**. Even prior to seeing MC’s written direct statement, the SDC declined to agree, and already anticipating its intent to not cooperate with discovery in this proceeding, the SDC refused to propose an alternative to MC’s proactive proposal.¹ *Id.*

As reflected in MC’s discovery requests, response to the requests was due on January 15, 2018. Notwithstanding, the SDC failed to file its *Motion to Quash* until January 24, 2018, significantly beyond the response due date, and almost halfway through the defined discovery period scheduled to conclude March 1, 2018.

As the SDC is well aware:

“The producing party does not make a judgment call regarding what evidence might be probative, persuasive, or admissible. ***If the producing party has evidence that it wishes to withhold—for whatever reason—the producing party must file a motion to obtain relief from its discovery obligation, most often in the form of a motion to quash the discovery request in general or in some particular.*** Determination of what evidence is admissible and what evidence is probative, and a decision on what weight the evidence might have, is solidly in the purview of the triers of fact. Further, whether a receiving party is prejudiced by a failure to produce discovery is irrelevant to the issue of a party’s duty to produce discovery.”

Docket no. 2012-6 CRB CD 2004-2009 (Phase II), Docket no. 2012-7 CRB SD 1999-2009 (Phase II), *Order on IPG Motions for Modification* (April 9, 2015) (emphasis added).

The foregoing text reflects the very basis on which the Judges not only refused to recognize objections asserted by IPG in good faith, but *sanctioned* IPG for not affirmatively

¹ The basis provided by the SDC to refusing to agree to a discovery schedule was its ostensible need to first see MC’s written direct statement. Nonetheless, in all prior proceedings, discovery schedules were proposed and agreed upon between the parties *prior* to the filing of written direct statements. That is, the SDC never previously insisted that a discovery schedule was predicated on first seeing an adversary party’s written direct statement.

moving that the discovery requests of which IPG took issue be stricken or modified. *Id.* Here, the SDC has effectively failed to file a motion to quash by untimely filing its *Motion to Quash*, pushing briefing and resolution well into the defined discovery period. Even if MC were to immediately receive the SDC production, its review will be unnecessarily rushed and prejudiced.

Comparable treatment in this instance requires not only that the SDC's objections to MC's discovery requests be disregarded, but that an equally formidable sanction issue against the SDC for its bad faith refusal to participate in discovery, i.e., the striking of multiple claims. As precedent reflects, the discovery sanction issued against IPG that was the basis of the ruling above lessened IPG's claim in the devotional programming category from an average of 30.5% of eleven satellite royalty pools to 2% of such pools, and an average of 25.15% of six cable royalty pools to 10.2% of such pools, *according to IPG's adversary* the SDC.² Under the methodologies presented by IPG, the consequence was even more significant.

What is before the Judges, therefore, is a circumstance in which the SDC has filed a motion to quash based on an argument that is not only logically indefensible, but is without legal precedent *and* runs contrary to what has occurred in prior proceedings in which the SDC was a firsthand participant. In order to push its indefensible argument along, the SDC has misrepresented the law to the Judges, and mischaracterized MC's ability to engage in the rebuttal phase of the proceedings as "a presentation of a methodology of Multigroup Claimants' own

² *Cf.* SDC Written Direct Statement, Test. of J. Sanders (filed July 8, 2014) (avg. satellite royalty of 30.5%) and SDC Written Direct Statement, Test. of J. Sanders (filed July 8, 2014) (avg. cable royalty of 25.15%) *with* SDC Written Direct Statement (remand proceedings), Testimony of John Sanders at p. 16 (filed August 22, 2016) (avg. cable royalty of 10.2%, avg. satellite royalty of 2%).

making”. Taken in the context of the SDC’s clearly reflected intent to not engage in discovery *at all*, the SDC’s motion to quash is revealed for exactly what it is – a bad faith refusal to partake in these proceedings.

B. THE SDC’S MOTION TO QUASH MULTIGROUP CLAIMANTS’ DISCOVERY RESTS PRIMARILY ON THE JUDGES’ RULING ON THE “JOINT MOTION TO STRIKE MULTIGROUP CLAIMANTS’ WRITTEN DIRECT STATEMENT”. THE SDC PURPOSELY MISCITES CRB REGULATIONS, AND THE SDC HAS ENGAGED IN SUBSTANTIALLY SIMILAR ACTS, WITH NO CONSEQUENCE TO THE CLAIMS OF THE SDC, NO CONSEQUENCE TO A SDC’S ENGAGEMENT IN DISCOVERY OR REBUTTAL, AND THE SDC MISREPRESENTED SUCH FACTS TO THE JUDGES.

The SDC previously moved to strike MC’s Written Direct Statement in the above proceedings, and dismiss all MC-represented claims for 2010-2013. As is immediately apparent, the primary basis of the SDC’s *Motion to Quash Discovery of Multigroup Claimants* rests on the outcome of that previously-submitted motion.

No different than the MPAA motion to quash filed a week prior to the SDC motion, the SDC believe that the Judges are not sufficiently astute to recognize the SDC’s gross mischaracterization of MC’s written direct statement. That insulting fact is the only reasonable explanation for the SDC’s repeated statement that MC “did not file” a written direct statement. For risk of being repetitive of the arguments set forth in MC’s *Opposition to Motion to Strike the Written Direct Statement of Multigroup Claimants*, MC *has* filed a written direct statement in the distribution phase, *has* included all of the required elements, and *has* identified the distribution methodologies to which it will accept.

Nonetheless, the SDC add one novel argument. While “incorporating by reference” the arguments set forth in the jointly submitted *Motion to Strike*, the SDC add that MC’s written

direct statement “admits” that MC did not believe that its provisional claim to 100% of the devotional programming fund “was likely to have evidentiary support”, an ostensible violation of “37 C.F.R. § 350.6(e)(3)”. According to the SDC, this requires the Judges to altogether disregard MC’s percentage claim, and create the fiction that MC’s written direct statement contained no percentage claim, which is a requirement under 37 C.F.R. § 351.4(b). *Ergo*, according to the SDC, MC “did not file” a written direct statement.

The only “admission” to be made by Multigroup Claimants and its counsel is the frustration of having to repeatedly deal with the bad faith arguments, misrepresentations, omissions, and hypocritical positions taken by the SDC and its counsel, which recently warranted the filing of a *Motion for Admonition* against the SDC and its counsel in the 2000-2003 cable proceedings (Phase II remand). First, there is no “37 C.F.R. § 350.6(e)(3)” in the CRB regulations, and the SDC’s misdirection to a non-existent provision gives pause to consider whether such cite was for the ulterior motive of avoiding scrutiny of the provision that *should* have been cited by the SDC. Section 350.6(e)(1)(iii) of the regulations states, in part, that:

“The signature of an attorney [on a pleading] constitutes certification that the contents of the document are true and correct, to the best of the signer’s knowledge, information, and belief, formed after an inquiry reasonable under the circumstances and:

* * *

(iii) The allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support *after a reasonable opportunity for further investigation or discovery*. . . .”

37 C.F.R. § 350.6(e)(1)(iii) (emphasis added).

But again, the SDC and its counsel omit a highly relevant portion of a cited provision. But again, the SDC and its counsel make their argument only after misrepresenting MC's position. As was made clear in MC's written direct statement, MC had agreed to "***accept the results of methodologies submitted by adverse parties in these proceedings***", and:

"Pending review of the distribution methodologies advocated by other parties to these distribution proceedings, Multigroup Claimants makes claim to one-hundred percent (100%) of the royalties attributable to the devotional and program supplier categories, comparable to the claims for one-hundred percent of such royalties previously claimed by the Settling Devotional Claimants and the Motion Picture Association of America. Upon review and examination of any distribution methodologies submitted to the Judges, Multigroup Claimants reserves its right to revise its percentage claim according to 37 C.F.R. § 351.4(b)(3)."

Multigroup Claimants' *Written Direct Statement* (Dec. 29, 2017), *Test. of R. Galaz* at 3-4 (emphasis added).

Taken in context, no reasonable allegation can be made that MC or its counsel made a claim in a pleading that was *not likely to have evidentiary support after a reasonable opportunity for further investigation or discovery*, because the statement to which the SDC takes issue (the "100%" percentage claim) is specifically *subject to* the review of supporting evidence after a reasonable opportunity for further investigation or discovery.

In fact, because of the dilatory effort of the SDC, which has now taken the parties halfway through the discovery phase of these proceedings without an iota of substantiating documentation being produced by the SDC, *no one knows* what results would be rendered by application of the SDC (or MPAA) methodologies. Unless and until MC is allowed to review the data underlying

the SDC and MPAA methodologies, MC's percentage claim to 100% of the devotional programming category stands.³

While the SDC argue that *all* discovery should be quashed because of the alleged deficiency of MC's written direct statement, it should be noted that Multigroup Claimants has come across additional evidence relevant to the SDC's position. When Multigroup Claimants responded to the *Joint Motion to Strike Written Direct Statement of Multigroup Claimants*, filed by the MPAA and the SDC, Multigroup Claimants was able to identify at least one proceeding in which the SDC presented no distribution methodology. Entering into the final distribution hearings in the 2000-2003 cable proceedings (Phase II), the SDC maintained that it was entitled "100%" of the devotional programming fund, despite the SDC not submitting *any* proposed distribution methodology, despite reviewing documents produced in discovery by IPG, and despite having failed in its challenge to the viability of claims of IPG-represented claimants. Notwithstanding, such fact did not affect the claims of the SDC under a competing party's methodology (IPG's), the SDC's ability to engage in discovery, or the SDC's entitlement to engage in rebuttal directed toward IPG's proposed methodology.⁴ Inexplicably, in a recent filing the MPAA argue that such situation is distinguishable because there are no pending claims challenges in this proceeding, ignoring the evident fact that the SDC's claim for "100%" of the

3 The SDC further contended that MC's written direct statement was deficient because it did not present a "uniquely constructed" distribution methodology that was constructed by MC. See *infra*. As is clear from all statutes and regulations pertaining to the filing of written direct statements, no obligation exists to submit to *any* particular distribution methodology as part of any written direct statement, yet MC nonetheless did so. See 37 C.F.R. § 351.4(b).

4 See *Multigroup Claimants' Opposition the Joint Motion to Strike Written Direct Statement of Multigroup Claimants* (Jan. 17, 2018), *citing* 2000-2003 cable proceeding (Phase II).

devotional programming royalties continued even after the SDC's claims challenges had failed.⁵

That is, there were no pending claims challenges in *that* proceeding when the SDC made claim for 100% of the royalties.

More analogous, however, Multigroup Claimants has identified yet *another* proceeding in which the SDC submitted no methodology yet remained a participant in the proceedings.

Different from the 2000-2003 cable proceeding (Phase II) referenced above, however the SDC affirmatively conceded to application of another party's methodology – ***exactly as Multigroup Claimants has done in this proceeding***. See *Distribution of the 2004 and 2005 Cable Royalty Funds*, 75 Fed. Reg. 57063, 57075 (Sept. 17, 2010). In fact, the SDC affirmatively *advocated* another party's methodology. *Id.*

Specifically, in the 2004-2005 cable proceeding (Phase I), the SDC advocated application of the JSC-sponsored Bortz survey, presenting no methodology of its own. In fact, the *only* testimony offered by the SDC was by witness Dr. William Brown, whose testimony was for the purpose of rationalizing the increase of devotional programming share under the JSC-presented Bortz survey since the 1990-1992 proceeding.⁶ *Id.* As reflected by the decision, the Judges found Dr. Brown's testimony to unsubstantiated opinion, totally lacking in any value.⁷

⁵ See *MPAA Reply in Support of Motion to Quash Multigroup Claimants Discovery Requests* at 6 (Feb. 5, 2018).

⁶ In a recent filing, the MPAA charitably characterize Mr. Brown's testimony as a "qualitative" analysis. See *MPAA Reply in Support of Motion to Quash Multigroup Claimants Discovery Requests* at 6 (Feb. 5, 2018). It was, by contrast, little more than subjective opinion that the SDC's share should be increased from a prior award – *under the Bortz survey*. See generally, *Distribution of the 2004 and 2005 Cable Royalty Funds*, 75 Fed. Reg. 57063, 57075 (Sept. 17, 2010) ("Devotional Claimants have consistently supported the JSC's cable operator valuations of

The existence of this example is poignant for several facts. First, the 2004-2005 cable decision makes abundantly clear that the SDC remained as a participant in the proceeding, engaged in discovery, engaged in the rebuttal process, and was awarded a share based on its claims – despite proffering no distribution methodology of its own. Second is the fact that both the SDC and the MPAA took part in such proceeding, including certain counsel of record for both parties in *this* proceeding. Consequently, the SDC and MPAA have sought to distort the precedent applicable to these proceedings despite firsthand knowledge that a party’s advocacy of another party’s methodology, without presentation of its own uniquely constructed methodology, has no consequence on the viability of claims, no consequence on the ability of such party to engage in discovery, and no consequence to a party’s ability to engage in rebuttal of other party’s methodologies. At a certain point, the Judges must accept that such is not mere advocacy, but a fraud on the Court, one that should not be taken lightly.⁸

the program categories throughout the history of their participation in these distribution proceedings. . . .”).

7 See *Distribution of the 2004 and 2005 Cable Royalty Funds*, 75 Fed. Reg. 57063, 57073-57075 (Sept. 17, 2010) (“The testimony offered [by Dr. William Brown on behalf of the SDC] regarding growth of devotional programming and avidity and loyalty of devotional viewers was anecdotal in nature and comprised largely of unsupported opinion.”).

8 In fact, the SDC and MPAA previously made the *same* false representation in this very proceeding, asserting that they were unaware “in four decades” of an instance in which a party was able to participate in discovery and a proceeding without submitting its own distribution methodology. Multigroup Claimants directed the Judges to the fact that fewer than six months prior to the filing of this brief, in the 2000-2003 cable proceeding (Phase II), exactly such situation had occurred. See *Multigroup Claimants Opposition to Joint Motion to Quash Discovery Requests of Multigroup Claimants* at 3 (filed August 1, 2017). Nevertheless, the SDC (and MPAA) persist with their false representation that such has never occurred, though both are expressly aware of the contrary.

In any event, although Multigroup Claimants would never advocate doing so, nothing prohibits a party from asserting a claimed percentage or dollar amount to a fund, then asserting that it is based on nothing more than the unsubstantiated opinion of a sponsoring witness. As noted in the example above, the SDC did *exactly* this in the 2004-2005 cable proceedings (Phase I) and, predictably, the results of such SDC “methodology” was found totally lacking in merit. Id. Nonetheless, such meritless methodology did not result in the dismissal of all SDC claims.⁹ Rather, it simply resulted in the Judges’ adoption of an adversary’s methodology.

Even ignoring (i) the SDC’s knowing misrepresentation of the CRB regulations, and (ii) the SDC’s knowing misrepresentation of precedent by ignoring no fewer than two proceedings in which the SDC has engaged in the *identical acts* of which the SDC now contends all Multigroup Claimant claims should be dismissed, an extraordinarily offensive aspect of the SDC motion is the SDC’s repeated claim that Multigroup Claimants’ exercise of its right to engage in the rebuttal phase of proceedings equates to Multigroup Claimants’ presentation of its own uniquely constructed methodology:

“MGC apparently would like to present his own variation on the methodologies propounded by the other parties, disguised as “adjustments” and developed with the benefit of reviewing all of the evidence and testimony already put forth by the other parties. MGC’s proposed sequencing of events would also allow MGC to avoid rebuttal testimony to be presented against his “adjusted” methodology, and avoid fullscale discovery into his methodology and case.”

SDC motion at 3.

⁹ *Ergo*, in *Multigroup Claimants’ Opposition to Motion to Strike the Written Direct Statement of Multigroup Claimants*, Multigroup Claimants observed that the moving parties would contend that even an outrageously dimwitted methodology would satisfy the requirements of a written direct statement, whereas acceding to a competing methodology would not.

Literally nowhere has Multigroup Claimants signaled an intent to “present its own variation on the methodologies propounded by the other parties.” In fact, because the Judges have already made clear that they could select application of a distribution methodology that was presented as part of a *different* program category,¹⁰ the discovery and “rebuttal” phase of these proceedings would inherently include Multigroup Claimants’ receipt of the MPAA data for the program suppliers category, and application of such data and methodology to the devotional programming category, in order to consider the results, or vice-versa.

Still, despite this rather obvious application that was foretold by Multigroup Claimants *in its written direct statement*,¹¹ the SDC argue that under the guise of “adjustments” Multigroup Claimants seeks to present its own uniquely constructed distribution methodology. As noted, Multigroup Claimants has not indicated any such intent, and *if* a day were to ever arrive when Multigroup Claimants did attempt to skirt the process for presentation of its own distribution methodology, *then* the Judges could dismiss such attempt at such time the same way they

¹⁰ See Docket nos. 2012-6 CRB CD 2004-2009 (Phase II), 2012-7 CRB SD 1999-2009 (Phase II), *Amended Joint Order on Discovery Motions* (July 30, 2014), at p. 8:

“The issue is not whether the Judges are “required” to apply a particular valuation methodology or whether a party can “insist” upon the application of a certain methodology. Rather, the statute directs the Judges to determine the distribution of royalties. See 17 U.S.C. §§ 111(d)(4), 119(b)(5). The Judges do so pursuant to a standard of “relative marketplace value.” [citations omitted]. The Judges may utilize any party’s methodology that they conclude best satisfies this standard, or any methodology that applies elements of the parties’ various proposals and other factors that the Judges, in their discretion, may properly apply. Thus, it would be unlikely that the Judges would conclude, on the one hand, that a particular methodology presented in a particular category in a Phase II proceeding best satisfies the standard, but, on the other hand, refuse to apply that optimal methodology in a different Phase II category.”

¹¹ See *Multigroup Claimants Written Direct Statement*, Test. of Raul Galaz at 4.

dismissed the SDC's attempted "trial by ambush" in the 2000-2003 cable proceedings. To date, however, this has not occurred, nor has Multigroup Claimants articulated any desire to present its own uniquely constructed distribution methodology.

C. THE SDC FALSELY EQUATE AGREEMENT TO A DISTRIBUTION METHODOLOGY TO CONCESSION THAT SUCH METHODOLOGY HAS BEEN ACCURATELY APPLIED. MULTIGROUP CLAIMANTS CANNOT CONFIRM THE RESULTS OF THE SDC METHODOLOGY WITHOUT PRODUCTION OF SUPPORTING DOCUMENTS, NOR OPINE WHICH OF THE ASSERTED METHODOLOGIES IS SUPERIOR.

In an attempt to foreclose *any* review of a broad swath of its supporting data, even to verify whether the SDC has accurately applied its own distribution methodology, the SDC put forth a sophomoric argument that acceptance of a stated methodology requires Multigroup Claimants to blindly accept the SDC's stated results of such methodology, regardless of what errors of application might exist.¹² No authority exists for such a ruling, nor does common sense dictate limiting discovery to preclude verification that a party has accurately applied its own asserted methodology.

Multigroup Claimants was aptly aware of the methodologies that the SDC and MPAA intended to present in this proceeding, and no surprises presented themselves in connection

¹² In recent correspondence amongst the parties, SDC counsel absurdly stated "how can you rebut a methodology that you have accepted". The obvious response is two-part. First, accepting a party's stated methodology is not the same as accepting the results that a party indicates were derived from such methodology. Second, at no point did Multigroup Claimants unqualifiedly accept the results of the SDC methodology. Rather, Multigroup Claimants acceded to the methodologies submitted by the SDC and the MPAA, without designating which it would support, and expressly stating that such accession was subject to confirmation of the data underlying such asserted methodologies. As such, SDC counsel's contention that Multigroup Claimants had unqualifiedly accepted the SDC methodology is simply fabrication.

therewith. As should be obvious, however, even accepting another party's stated distribution methodology does not foreclose the possibility that the party has inaccurately applied its own stated methodology, or made a calculation or logic error that can be remedied. This fact is currently playing out in the 2010-2013 cable proceedings (allocation phase), wherein the MPAA expert witness (Dr. Gray) discovered an omission of WGNA data that significantly affected his presented results. Put in context, while a party could agree in principle to the methodology presented by Dr. Gray, one would not agree with Dr. Gray's stated results if Dr. Gray had erringly and unintentionally omitted a station of such extraordinary significance as WGNA.

Moreover, the SDC's argument ignores that the SDC's methodology *could* be applied to the distribution of royalties between Multigroup Claimants and the MPAA in the program suppliers category, and the MPAA's methodology *could* be applied to the distribution of royalties between Multigroup Claimants and the SDC in the devotional category. That is, Multigroup Claimants' accession to either distribution methodology does not mean that Multigroup Claimants has affirmatively elected either methodology for application to either programming category. Consequently, which of the two methodologies appears superior for application to the devotional programming category remains unclear, and can only be clarified after production of data underlying those methodologies.

Despite these rather obvious facts, the SDC seek to preclude its obligation to respond to thirty-seven (37) document requests going toward the data that the SDC must produce in order to *merely* substantiate application of its methodology.¹³ As the Judges are likely aware,

¹³ The irony, of course, is the discomfort that the SDC finds with actually having to substantiate its results. Most parties would desire the opposite, i.e., to demonstrate how

“adjustments” to methodologies have been commonplace in the distribution proceedings, with the CRB and its predecessors adjusting percentage awards upwards or downwards based on identified errors in calculation or logic.¹⁴ Precluding discovery to avoid any challenge that an “adjustment” must be made simply denies this historical fact.

In the end, the SDC’s objection is revealed for its true nature, a concern that its results are misstated and/or inferior to the methodology submitted by the MPAA, and its attempt to hide such revelation by avoiding any opportunity for any party to scrutinize such data.

D. THE SDC IS OBLIGATED TO PRODUCE ITS ALLOCATION PHASE DISCOVERY MATERIALS.

The SDC choose to re-litigate an issue already addressed in this proceeding, in order to deny Multigroup Claimants access to documents and information developed by the SDC and/or received by the SDC from any party, in connection with the allocation phase of these proceedings.

On August 11, 2017, the Judges issued an order denying Multigroup Claimants’ ability to received allocation phase materials *at that particular point in time*. Nonetheless, the Judges stated:

“CRB rules, and the Judges’ scheduling order in this proceeding, permit the parties to propound discovery requests following the filing of WDSs (MGC has, in fact, already done so). To the extent any materials exchanged during allocation phase discovery are responsive to MGC’s post-WDS-D discovery requests for “nonprivileged underlying documents related to” the other parties’ WDS-Ds, ***MGC will receive those materials in due course.*** 37 C.F.R. § 351.6. MGC would then be permitted to amend its WDS to account for any “new material received

accurately its asserted methodology has been reflected by its stated results. Not the SDC, whose anxiety about such matter seeks to avoid any review that might demonstrate error on its part.

¹⁴ See, e.g., *Distribution of the 2004 and 2005 Cable Royalty Funds*, 75 Fed. Reg. 57063 (Sept. 17, 2010).

during the discovery process”—*including any material that may have been exchanged among other parties during allocation phase discovery*. 37 C.F.R. § 351.4(c).”

Order Granting in Part Multigroup Claimants Expedited Motion to Continue Distribution

Proceedings Following Resolution of Pending Motions at 4 (Aug. 11, 2017).

Indeed, as is clear from the CRB regulations, in order to introduce into evidence any study or analyses, a party is obligated to identify any “alternative courses of action considered”. Consequently, any information *known* to be in the possession of a party prior to construction of their study design is appropriate subject matter for discovery.

(e) *Introduction of studies and analyses*. If studies or analyses are offered in evidence, they shall state clearly the study plan, the principles and methods underlying the study, all relevant assumptions, all variables considered in the analysis, the techniques of data collection, the techniques of estimation and testing, and the results of the study's actual estimates and tests presented in a format commonly accepted within the relevant field of expertise implicated by the study. The facts and judgments upon which conclusions are based shall be stated clearly, ***together with any alternative courses of action considered***. Summarized descriptions of input data, tabulations of input data and the input data themselves shall be retained.

37 C.F.R. § 351.10(e) (emphasis added).

Moreover, a comparison between the information relied on by a party’s expert witness in the design of their methodology with the relevant information that is in the party’s hands, is made relevant by the Judges’ prior rulings as to what influence a party has hand on their expert witness’ construction of a methodology. In the 1998-1999 cable proceeding (Phase II), the Judges held that Independent Producers Group (“IPG”) had “straitjacketed” its witness Laura

Robinson by not providing her extensive data produced by Nielsen Media Research.¹⁵ In that instance, IPG did not have the Nielsen data. In this instance, the SDC is being asked to produce data that is *known* to be in its possession, including the *identical* type of Nielsen data for which the Judges found IPG to have “straitjacketed” its witness by not providing. As made clear by the Judges’ ruling, what is relevant is not merely the information that a party relied on, but the information that was in that party’s possession that they had the opportunity to rely on. Quite simply, there is no basis for distinguishing the information the SDC seeks to avoid producing, and because the SDC is *known* to possess the information, the argument for requiring production is even more compelling.

Moreover, a basis of comparison to prior discovery orders is appropriate. Section 351.6 of the CRB regulations states that “parties may request of an opposing party nonprivileged underlying documents related to the written exhibits and testimony”. Such provision is the basis for any discovery request. In the course of distribution proceedings, Multigroup Claimants’ predecessor (IPG) has been required to produce “employment agreements” between their represented claimants and their employees, and been sanctioned for not producing a ten-year old email already in the possession of the requesting party and already twice introduced into evidence before the Judges that, according to the Judges, reflected an “attempted termination” of IPG’s engagement (as opposed to an “actual termination” of engagement). None of those documents were considered by IPG-sponsored witnesses, as they had no legal effect on either the claimants’ right to make claim, or IPG’s engagement. Notwithstanding, *all* were deemed required to be

¹⁵ *Distribution of 1998 and 1999 Cable Royalty Funds*, 80 Fed. Reg. 13423, at 13440 (March 13, 2015).

produced as being “underlying documents *related to* written exhibits and testimony” of IPG. Given the breadth of such interpretation by the Judges, Section 351.6 surely encompasses data *directly related* to the subject matter of the SDC’s asserted methodology, that is *known* to be in the possession of the SDC, that was already produced to the SDC *in this very proceeding*. To deny such fact would be arbitrary.

E. THE SDC REFUSE TO PRODUCE ANY DOCUMENTS UNDERLYING DESIGNATED TESTIMONY, CITING NO LEGAL BASIS THEREFOR.

As noted in its motion, the SDC has refused to produce any documents underlying the designated testimony of Toby Berlin. The only asserted basis for such refusal – Ms. Berlin’s testimony is “designated”.

No legal authority is cited by the SDC for this objection and, apparently, the SDC are under the misimpression that because testimony is “designated”, it is immune from challenge. Such is not the case, nor even rational. The SDC summarily argue that “a requirement to produce documents underlying testimony designated from a prior proceeding would be unwieldy”, but there is literally no showing that this would be the case for Ms. Berlin, nor does it make sense that the SDC would not have available the supporting documents.

In fact, the SDC argue that because such documents could have been subject to discovery in a prior proceeding by the parties to such proceeding, they are no longer subject to discovery in the immediate proceeding. As the Judges are aware, designated testimony is not limited to submission adverse to a party that was previously a party where the designated testimony occurred. Consequently, according to the SDC, even if the designated testimony occurred in a proceeding to which the requesting party was not involved, the requesting party would be

foreclosed from challenging any of the assumptions or conclusions of the designated testimony witness. No authority or logic warrants granting such “free pass” to designated testimony.

As often occurs, information is revealed about witnesses that is not immediately apparent, nor necessarily revealed in prior proceedings. For example, as a result of the Judges’ questioning of an SDC witness in the consolidated 2004-2009 cable/1999-2009 satellite proceeding, it was revealed that such witness (Mr. John Sanders) had not *on a single occasion during his career* been involved in the valuation of retransmitted programming, the subject for which he was engaged to opine. Nor had Mr. Sanders reviewed any testimony by witnesses whose entire decades-long careers were in the cable industry, and whose opinions on the identical matters were perfectly contrary. According to the SDC, discovery concerning these relevant facts, revealed in the course of hearings and long after the conclusion of discovery in the prior proceeding, would not be capable of discovery for no other reason than that the witness’ prior testimony is “designated”.

The gist of the SDC argument is that a collateral attack on the credibility (or conclusions) of a designated testimony witness would be “unworkable”. SDC motion at 6. On the contrary, if a party desires the ease of not having to produce a witness, and the benefits of not having to subject that witness to cross-examination, such benefit is not absolute. That is, it does not insulate such designated testimony from scrutiny or challenge. Common sense renders such conclusion, and no legal authority in the CRB regulations allowing the designation of testimony from a prior proceeding would suggest otherwise.

F. THE SDC REFUSE TO PRODUCE ANY DOCUMENTS RELATING TO PRIOR ANALYSES BY THE SDC.

As noted, previously, CRB regulations expressly provide that in order to introduce into evidence any study or analyses, a party is obligated to identify any “alternative courses of action considered”. See Section C, *supra*, citing 37 C.F.R. § 351.10(e). Multigroup Claimants has therefor sought to inquire regarding any modifications to the SDC methodology and results from prior incarnations thereof, all of which is freely discoverable as “alternative courses of action” considered by the SDC. Regardless of whether the SDC constructed an alternative course of action and memorialized it in a withdrawn written direct statement, such alternative course of action existed, and is therefor fodder for discovery.

Interestingly, the SDC immediately recognized the contradiction between its objection to Multigroup Claimants’ discovery request in this proceeding, and the SDC’s discovery request from IPG in the consolidated 2004-2009 cable/1999-2009 satellite proceedings. The SDC’s attempt to distinguish the situations is ostensibly based on the “multiple unexplained substantial changes in the proposed awards and the computations underlying [the IPG expert’s testimony]”, yet such documents would have been discoverable *regardless* of whether there were “unexplained substantial changes”, as the SDC allege. In fact, IPG did not object to such production, and freely produced such documents, as is required.

If the SDC seek to introduce into evidence its study or analysis, it must reveal all “alternative courses of action” considered. On what basis documents underlying such alternatives would not be discoverable is unstated by the SDC for the obvious reason that no legal or rational basis exists for the wholesale exclusion of such information from discovery.

G. THE SDC SEEK TO AVOID RESPONSE TO BOILERPLATE UNOBJECTIONABLE DISCOVERY REQUESTS.

As its final challenge, the SDC seek to prohibit its obligation to respond to Multigroup Claimants' discovery requests numbers 6 and 28, characterizing them as hopelessly vague. Allegedly, the requests fail to "[address] the SDC to any meaningful or identifiable limitation, topic, or set of documents."

Unlike its prior challenges, the SDC conveniently fail to recite the challenged requests, which are as follows:

6) Any and all documents relied on by John Sanders in order to form the statements and opinions expressed in his testimony, including but not limited to documents that would tend to undermine, deny, dispute, limit, or qualify any of the statements and opinions expressed in his testimony.

28) Any and all documents relied on by Erkan Erdem in order to form the statements and opinions expressed in his testimony, including but not limited to documents that would tend to undermine, deny, dispute, limit, or qualify any of the statements and opinions expressed in his testimony.

As should be immediately apparent, the discovery requests are sufficiently limited to the SDC witnesses' testimony *in this proceeding*, and request all documents relied on by the witness. Moreover, such requests are *verbatim* the form of requests posed by the SDC in prior proceedings. Certainly, the SDC's witnesses are aware of what documents they relied on in order to form their testimony, and are aware of what documents undermine their testimony. Consequently, the SDC's challenge was based on nothing more than an attempt to mischaracterize the discovery requests as hopelessly vague, and hope that the Judges did not actually review the discovery requests appearing as an exhibit to the SDC motion, all in order to avoid production of documents that undermine the witness testimony.

Such discovery requests are boilerplate, unobjectionable, and reasonably limited. No basis exists for quashing such requests.

CONCLUSION

Multigroup Claimants timely propounded discovery requiring response from the SDC no later than January 15, 2018. SDC motion, Exhibit A. Notwithstanding, the SDC did not file its pending *Motion to Quash* until January 24, 2018. At this point, the parties are more than halfway through the defined discovery period, which is scheduled to conclude on March 1, 2018. The SDC's strategic dilatory tactic, made by misrepresenting the law and processes that this panel of Judges has previously required be followed, will unduly prejudice Multigroup Claimants far more than any act for which IPG has previously been sanctioned. The SDC is well aware of this fact, well aware of the consequences for refusing to engage in discovery, and the only proper remedy is to impose a discovery sanction on the SDC on par with that previously imposed on Multigroup Claimants' predecessor, IPG.

For the foregoing reasons, the SDC's motion to quash should be forthwith quashed, the SDC should be ordered to immediately produce all responsive documents, and an appropriate discovery sanction issued upon the SDC.

Respectfully submitted,

February 7, 2018

_____/s/_____
Brian D. Boydston, Esq.
PICK & BOYDSTON, LLP
10786 Le Conte Ave.
Los Angeles, California 90024
Telephone: (213)624-1996
Facsimile: (213)624-9073
Email: brianb@ix.netcom.com
Attorneys for Multigroup Claimants

CERTIFICATE OF SERVICE

I hereby certify that on this 7th of February, 2018, a copy of the foregoing was sent by electronic mail to the parties listed on the attached Service List.

_____/s/_____
Brian D. Boydston, Esq.

MPAA-REPRESENTED PROGRAM SUPPLIERS

Gregory O. Olaniran, Esq.
MITCHELL SILBERBERG & KNUPP LLP
1818 n Street N.W., 8th Floor
Washington, DC 20036
Tel: 202-355-7817
goo@msk.com; lhp@msk.com

NATIONAL ASSOCIATION OF BROADCASTERS BROADCASTER CLAIMANTS GROUP

John I. Stewart, Esq.
CROWELL & MORING LLP
1001 Pennsylvania Avenue NW
Washington, DC 20004
Tel: 202-6242-2685
jstewart@crowell.com

CANADIAN CLAIMANTS GROUP

L. Kendall Satterfield, Esq.
SATTERFIELD PLLC
1629 K Street, NW, St 300
Washington, DC 20006
Tel: 202-337-8000
lksatterfield@satterfield-pllc.com

Victor Cosentino
LARSON & GATSON LLP

200 S. Robles Ave., Suite 530
Pasadena, CA 91101
Tel: 626-795-6001
Victor.cosentino@larsongaston.com

SETTLING DEVOTIONAL CLAIMANTS

Arnold P. Lutzker, Esq.
LUTZKER & LUTZKER LLP
1233 20th Street, NW , Suite 703
Washington, DC 20036
Tel: 202-408-7600
arnie@lutzker.com

Matthew MacLean, Esq.
PILSBURY WINTHROP SHAW PITTMAN LLP
1200 Seventeenth Street NW
Washington, DC 20036
Matthew.maclean@pillsburylaw.com
clifford.harrington@pillsburylaw.com

JOINT SPORTS CLAIMANTS

Robert Alan Garrett
ARNOLD AND PORTER LLP
601 Massachusetts Ave., NW
Washington, DC 20001
Tel: 202-942-5000
Robert.garrett@apks.com; sean.laane@apks.com; Michael.kientzle@apks.com

Michael J. Mellis
OFFICE OF THE COMMISSIONER OF BASEBALL
245 Park Avenue
New York, NY 10167
Tel: 212-931-7800
Mike.Mellis@mlb.com

Phillip R. Hochberg, Esq.
LAW OFFICES OF PHILLIP R. HOCHBERG
12505 Park Potomac Avenue, 6th Floor
Potomac, MD 20854

Tel: 301-230-6572
phochberg@shulmanrogers.com

Ritchie T. Thomas, Esq.
SQUIRE PATTON BOGGS
2550 M Street Northwest
Washington, DC 20037
Tel: 202-457-6000
Ritchie.thomas@squirepb.com

PUBLIC BROADCASTING
Covington & Burlington, LLP
Ronald G. Dove, Jr., Esq.
One City Center
850 Tenth Street, NW
Washington, D.C., 20001-4956

Email: rdove@cov.com
ltonsager@cov.com
dcho@cov.com

Before the
COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In the Matter of)	
)	
Distribution of)	CONSOLIDATED DOCKET NO.
<u>Cable Royalty Funds</u>)	14-CRB-0010-CD/SD
)	(2010-2013)
In the Matter of)	
)	
Distribution of)	
<u>Satellite Royalty Funds</u>)	

**MULTIGROUP CLAIMANTS' REPLY IN SUPPORT OF NOTICE OF CONSENT TO
2010-2013 CABLE AND SATELLITE SHARES PROPOSED BY SETTLING
DEVOTIONAL CLAIMANTS, AND MOTION FOR ENTRY OF DISTRIBUTION
ORDER**

Brian D. Boydston, Esq.
Pick & Boydston, LLP
10786 Le Conte Ave.
Los Angeles, California 90024

(213) 624-1996
brianb@ix.netcom.com

Counsel for Multigroup Claimants

PAR FOR THE COURSE, the Settling Devotional Claimants (“SDC”) misrepresent the position previously taken by Multigroup Claimants in this proceeding in order to solicit a ruling that would be unwarranted. In the SDC’s *Response to MGC’s Notice of Consent and Motion for Entry of Distribution Order*, the SDC falsely represent that Multigroup Claimants has previously “accepted the reasonableness of the SDC’s methodology” in this proceeding. According to the SDC, this position appeared in Multigroup Claimants’ written direct statement at page 3 of the Testimony of Raul Galaz, which was filed *at the same time* that the SDC’s proposed methodology was submitted.

First, the SDC omit a few choice words from Multigroup Claimants’ written direct statement. As set forth in the testimony of Raul Galaz, “Multigroup Claimants has elected to accept *the results of methodologies* submitted by adverse parties in these proceedings”. Multigroup Claimants Written Direct Statement, Testimony of Raul Galaz (Dec. 29, 2017), at 3. As further set forth therein, the acceptance of such methodologies was subject to verification of the accuracy of the purported results, and the reasonableness of such application. Such is a far cry from agreeing to the “reasonableness” of the methodologies. Indeed, Multigroup Claimants made clear in the sentences immediately following that “the Judges may elect to apply a distribution methodology that was originally submitted in one category in order to dictate the results in another category”, making clear that the reasonableness of application had not been accepted by Multigroup Claimants. *Id.* at 4.

In fact, Multigroup Claimants was incapable of fully assessing the reasonableness of application. This is because the SDC’s methodology is incapable of being applied to the

program suppliers category (because the supporting evidence is limited only to certain devotional programming), and the MPAA methodology is incapable of application to the devotional category because of the inability to run the electronic files produced in support thereof.

Regardless, the SDC's observation that "there is no record evidence of Multigroup Claimants challenging the accuracy or reasonableness" of the SDC's proposed methodology" does not transform Multigroup Claimants' position into a "concession" that the SDC's methodology is "accurate and reasonable". Nothing is farther from the truth.¹

Moreover, the SDC is already aware that Multigroup Claimants rejects the reasonableness of the SDC methodology, per correspondence between the parties that occurred only within the last few days. Conveniently omitted from the SDC's response is the fact that the parties discussed a stipulated acceptance of the SDC's proposed figures, but that the SDC refused to omit language that Multigroup Claimants accepted the reasonableness of the SDC methodology. In response to the SDC's proposed draft of a stipulation, counsel for Multigroup Claimants informed SDC counsel:

"No Matt. We agree to the figure and that there is no need to address the distribution methodology, but categorically not to the reasonableness of the distribution methodology. If you modify that motion accordingly, it can be a joint stipulation."

See **Exhibit A** (July 10, 2018 email).

¹ Multigroup Claimants' predecessor, Independent Producers Group, most recently challenged a philosophically identical SDC methodology in the 1999-2009 satellite, 2004-2009 cable proceedings.

Multigroup Claimants *Notice of Consent* is clear. It accepts the *results* proposed by the SDC. No statement therein, nor any actions taken by Multigroup Claimants, can be distorted into a concession or commentary on the SDC methodology.

CONCLUSION

For the reasons set forth above, the percentage allocations set forth above should be adopted, and the final distribution order should be entered in the form submitted by Multigroup Claimants.

Respectfully submitted,

July 13, 2018

_____/s/_____
Brian D. Boydston, Esq.
PICK & BOYDSTON, LLP
10786 Le Conte Ave.
Los Angeles, California 90024
Telephone: (213)624-1996
Facsimile: (213)624-9073
Email: brianb@ix.netcom.com

Attorneys for Multigroup Claimants

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of July, 2018, a copy of the foregoing was sent by electronic mail to the parties listed on the attached Service List.

_____/s/_____
Brian D. Boydston, Esq.

MPAA-REPRESENTED PROGRAM SUPPLIERS

Gregory O. Olaniran, Esq.
MITCHELL SILBERBERG & KNUPP LLP
1818 n Street N.W., 8th Floor
Washington, DC 20036
Tel: 202-355-7817
goo@msk.com; lhp@msk.com

SETTLING DEVOTIONAL CLAIMANTS

Arnold P. Lutzker, Esq.
LUTZKER & LUTZKER LLP
1233 20th Street, NW , Suite 703
Washington, DC 20036
Tel: 202-408-7600
arnie@lutzker.com

Matthew MacLean, Esq.
PILSBURY WINTHROP SHAW PITTMAN LLP
1200 Seventeenth Street NW
Washington, DC 20036
Matthew.maclea@pillsburylaw.com

EXHIBIT A

From: ["Brian D. Boydston, Esq."](mailto:brianb@ix.netcom.com...) <brianb@ix.netcom.com...>
To: "MacLean,Matthew J." <matthew.maclea@pillsburylaw.com>
Cc: Arnold Lutzker <arnie@lutzker.com>, Ben Sternberg <Ben@lutzker.com>, "Nyman,Jessica T." <jessica.nyman@pillsburylaw.com>, "Warley,Michael A." <michael.warley@pillsburylaw.com>
Subject: RE: Multigroup Claimants' Written Rebuttal Statement 2010-2013
Date: Jul 10, 2018 2:27 PM

No Matt. We agree to the figure and that there is no need to address the distribution methodology, but categorically not to the reasonableness of the distribution methodology. If you modify that motion accordingly, it can be a joint stipulation.

Brian

Fill in this information to identify your case:

United States Bankruptcy Court for the:

NORTHERN DISTRICT OF OKLAHOMA

Case number (if known) _____

Chapter you are filing under:

☒ Chapter 7☐ Chapter 11☐ Chapter 12☐ Chapter 13☐ Check if this an amended filing

Official Form 101

Voluntary Petition for Individuals Filing for Bankruptcy

12/17

The bankruptcy forms use you and Debtor 1 to refer to a debtor filing alone. A married couple may file a bankruptcy case together—called a *joint* case—and in joint cases, these forms use you to ask for information from both debtors. For example, if a form asks, “Do you own a car,” the answer would be yes if either debtor owns a car. When information is needed about the spouses separately, the form uses *Debtor 1* and *Debtor 2* to distinguish between them. In joint cases, one of the spouses must report information as *Debtor 1* and the other as *Debtor 2*. The same person must be *Debtor 1* in all of the forms.

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Identify Yourself**About Debtor 1:****About Debtor 2 (Spouse Only in a Joint Case):****1. Your full name**

Write the name that is on your government-issued picture identification (for example, your driver's license or passport).

Alfredo

First name

Carlos Paul

Middle name

Bring your picture identification to your meeting with the trustee.

Galaz

Last name and Suffix (Sr., Jr., II, III)

Lois

First name

May

Middle name

Galaz

Last name and Suffix (Sr., Jr., II, III)

2. All other names you have used in the last 8 years

Include your married or maiden names.

**Alfred Galaz, Jr.
Alfredo Raul Galaz****3. Only the last 4 digits of your Social Security number or federal Individual Taxpayer Identification number (ITIN)****xxx-xx-7195****xxx-xx-7825**

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

About Debtor 1:

About Debtor 2 (Spouse Only in a Joint Case):

4. Any business names and Employer Identification Numbers (EIN) you have used in the last 8 years

Include trade names and *doing business as* names

☐ I have not used any business name or EINs.

FDBA Segundo Suenos LLC
FDBA Worldwide Subsidy

Business name(s)

EINs

☒ I have not used any business name or EINs.

Business name(s)

EINs

5. Where you live

3901 West Vandalia Street
Broken Arrow, OK 74012

Number, Street, City, State & ZIP Code

Tulsa

County

If your mailing address is different from the one above, fill it in here. Note that the court will send any notices to you at this mailing address.

Number, P.O. Box, Street, City, State & ZIP Code

If Debtor 2 lives at a different address:

Number, Street, City, State & ZIP Code

County

If Debtor 2's mailing address is different from yours, fill it in here. Note that the court will send any notices to this mailing address.

Number, P.O. Box, Street, City, State & ZIP Code

6. Why you are choosing this district to file for bankruptcy

Check one:

☒ Over the last 180 days before filing this petition, I have lived in this district longer than in any other district.

☐ I have another reason.
 Explain. (See 28 U.S.C. § 1408.)

Check one:

☒ Over the last 180 days before filing this petition, I have lived in this district longer than in any other district.

☐ I have another reason.
 Explain. (See 28 U.S.C. § 1408.)

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Part 2: Tell the Court About Your Bankruptcy Case

7. **The chapter of the Bankruptcy Code you are choosing to file under** *Check one. (For a brief description of each, see Notice Required by 11 U.S.C. § 342(b) for Individuals Filing for Bankruptcy (Form 2010)). Also, go to the top of page 1 and check the appropriate box.*
- ☒ Chapter 7
☐ Chapter 11
☐ Chapter 12
☐ Chapter 13
-
8. **How you will pay the fee**
- ☒ **I will pay the entire fee when I file my petition.** Please check with the clerk's office in your local court for more details about how you may pay. Typically, if you are paying the fee yourself, you may pay with cash, cashier's check, or money order. If your attorney is submitting your payment on your behalf, your attorney may pay with a credit card or check with a pre-printed address.
- ☐ **I need to pay the fee in installments.** If you choose this option, sign and attach the *Application for Individuals to Pay The Filing Fee in Installments* (Official Form 103A).
- ☐ **I request that my fee be waived** (You may request this option only if you are filing for Chapter 7. By law, a judge may, but is not required to, waive your fee, and may do so only if your income is less than 150% of the official poverty line that applies to your family size and you are unable to pay the fee in installments). If you choose this option, you must fill out the *Application to Have the Chapter 7 Filing Fee Waived* (Official Form 103B) and file it with your petition.
-
9. **Have you filed for bankruptcy within the last 8 years?**
- ☒ No.
☐ Yes.
- | | | |
|----------------|------------|-------------------|
| District _____ | When _____ | Case number _____ |
| District _____ | When _____ | Case number _____ |
| District _____ | When _____ | Case number _____ |
-
10. **Are any bankruptcy cases pending or being filed by a spouse who is not filing this case with you, or by a business partner, or by an affiliate?**
- ☒ No
☐ Yes.
- | | |
|---------------------------|-----------------------------|
| Debtor _____ | Relationship to you _____ |
| District _____ When _____ | Case number, if known _____ |
| Debtor _____ | Relationship to you _____ |
| District _____ When _____ | Case number, if known _____ |
-
11. **Do you rent your residence?**
- ☒ No. Go to line 12.
☐ Yes. Has your landlord obtained an eviction judgment against you?
- ☐ No. Go to line 12.
☐ Yes. Fill out *Initial Statement About an Eviction Judgment Against You* (Form 101A) and file it as part of this bankruptcy petition.

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Part 3: Report About Any Businesses You Own as a Sole Proprietor

12. Are you a sole proprietor of any full- or part-time business?

☐ No. Go to Part 4.

☒ Yes. Name and location of business

A sole proprietorship is a business you operate as an individual, and is not a separate legal entity such as a corporation, partnership, or LLC.

If you have more than one sole proprietorship, use a separate sheet and attach it to this petition.

Sole Proprietorship

Name of business, if any

**3901 West Vandalia Street
 Broken Arrow, OK 74012**

Number, Street, City, State & ZIP Code

Check the appropriate box to describe your business:

- ☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
☒ None of the above

13. Are you filing under Chapter 11 of the Bankruptcy Code and are you a small business debtor?

For a definition of *small business debtor*, see 11 U.S.C. § 101(51D).

If you are filing under Chapter 11, the court must know whether you are a small business debtor so that it can set appropriate deadlines. If you indicate that you are a small business debtor, you must attach your most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if any of these documents do not exist, follow the procedure in 11 U.S.C. 1116(1)(B).

☒ No. I am not filing under Chapter 11.

☐ No. I am filing under Chapter 11, but I am NOT a small business debtor according to the definition in the Bankruptcy Code.

☐ Yes. I am filing under Chapter 11 and I am a small business debtor according to the definition in the Bankruptcy Code.

Part 4: Report if You Own or Have Any Hazardous Property or Any Property That Needs Immediate Attention

14. Do you own or have any property that poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety? Or do you own any property that needs immediate attention?

☒ No.

☐ Yes. What is the hazard?

If immediate attention is needed, why is it needed?

For example, do you own perishable goods, or livestock that must be fed, or a building that needs urgent repairs?

Where is the property?

Number, Street, City, State & Zip Code

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Part 5: Explain Your Efforts to Receive a Briefing About Credit Counseling

15. Tell the court whether you have received a briefing about credit counseling.

The law requires that you receive a briefing about credit counseling before you file for bankruptcy. You must truthfully check one of the following choices. If you cannot do so, you are not eligible to file.

If you file anyway, the court can dismiss your case, you will lose whatever filing fee you paid, and your creditors can begin collection activities again.

About Debtor 1:

You must check one:

- ☒ **I received a briefing from an approved credit counseling agency within the 180 days before I filed this bankruptcy petition, and I received a certificate of completion.**

Attach a copy of the certificate and the payment plan, if any, that you developed with the agency.

- ☐ **I received a briefing from an approved credit counseling agency within the 180 days before I filed this bankruptcy petition, but I do not have a certificate of completion.**

Within 14 days after you file this bankruptcy petition, you **MUST** file a copy of the certificate and payment plan, if any.

- ☐ **I certify that I asked for credit counseling services from an approved agency, but was unable to obtain those services during the 7 days after I made my request, and exigent circumstances merit a 30-day temporary waiver of the requirement.**

To ask for a 30-day temporary waiver of the requirement, attach a separate sheet explaining what efforts you made to obtain the briefing, why you were unable to obtain it before you filed for bankruptcy, and what exigent circumstances required you to file this case.

Your case may be dismissed if the court is dissatisfied with your reasons for not receiving a briefing before you filed for bankruptcy. If the court is satisfied with your reasons, you must still receive a briefing within 30 days after you file. You must file a certificate from the approved agency, along with a copy of the payment plan you developed, if any. If you do not do so, your case may be dismissed.

Any extension of the 30-day deadline is granted only for cause and is limited to a maximum of 15 days.

- ☐ **I am not required to receive a briefing about credit counseling because of:**

- ☐ **Incapacity.**
I have a mental illness or a mental deficiency that makes me incapable of realizing or making rational decisions about finances.

- ☐ **Disability.**
My physical disability causes me to be unable to participate in a briefing in person, by phone, or through the internet, even after I reasonably tried to do so.

- ☐ **Active duty.**
I am currently on active military duty in a military combat zone.

If you believe you are not required to receive a briefing about credit counseling, you must file a motion for waiver credit counseling with the court.

About Debtor 2 (Spouse Only in a Joint Case):

You must check one:

- ☒ **I received a briefing from an approved credit counseling agency within the 180 days before I filed this bankruptcy petition, and I received a certificate of completion.**

Attach a copy of the certificate and the payment plan, if any, that you developed with the agency.

- ☐ **I received a briefing from an approved credit counseling agency within the 180 days before I filed this bankruptcy petition, but I do not have a certificate of completion.**

Within 14 days after you file this bankruptcy petition, you **MUST** file a copy of the certificate and payment plan, if any.

- ☐ **I certify that I asked for credit counseling services from an approved agency, but was unable to obtain those services during the 7 days after I made my request, and exigent circumstances merit a 30-day temporary waiver of the requirement.**

To ask for a 30-day temporary waiver of the requirement, attach a separate sheet explaining what efforts you made to obtain the briefing, why you were unable to obtain it before you filed for bankruptcy, and what exigent circumstances required you to file this case.

Your case may be dismissed if the court is dissatisfied with your reasons for not receiving a briefing before you filed for bankruptcy.

If the court is satisfied with your reasons, you must still receive a briefing within 30 days after you file. You must file a certificate from the approved agency, along with a copy of the payment plan you developed, if any. If you do not do so, your case may be dismissed.

Any extension of the 30-day deadline is granted only for cause and is limited to a maximum of 15 days.

- ☐ **I am not required to receive a briefing about credit counseling because of:**

- ☐ **Incapacity.**
I have a mental illness or a mental deficiency that makes me incapable of realizing or making rational decisions about finances.

- ☐ **Disability.**
My physical disability causes me to be unable to participate in a briefing in person, by phone, or through the internet, even after I reasonably tried to do so.

- ☐ **Active duty.**
I am currently on active military duty in a military combat zone.

If you believe you are not required to receive a briefing about credit counseling, you must file a motion for waiver of credit counseling with the court.

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known)

Part 6: Answer These Questions for Reporting Purposes

16. What kind of debts do you have?	16a.	Are your debts primarily consumer debts? <i>Consumer debts</i> are defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input type="checkbox"/> No. Go to line 16b. <input checked="" type="checkbox"/> Yes. Go to line 17.
	16b.	Are your debts primarily business debts? <i>Business debts</i> are debts that you incurred to obtain money for a business or investment or through the operation of the business or investment. <input type="checkbox"/> No. Go to line 16c. <input type="checkbox"/> Yes. Go to line 17.
	16c.	State the type of debts you owe that are not consumer debts or business debts <hr/>

17. Are you filing under Chapter 7? Do you estimate that after any exempt property is excluded and administrative expenses are paid that funds will be available for distribution to unsecured creditors?	<input type="checkbox"/> No. <input checked="" type="checkbox"/> Yes.	I am not filing under Chapter 7. Go to line 18. I am filing under Chapter 7. Do you estimate that after any exempt property is excluded and administrative expenses are paid that funds will be available to distribute to unsecured creditors? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
--	--	--

18. How many Creditors do you estimate that you owe?	<input checked="" type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999	<input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5001-10,000 <input type="checkbox"/> 10,001-25,000	<input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> More than 100,000
---	--	--	---

19. How much do you estimate your assets to be worth?	<input type="checkbox"/> \$0 - \$50,000 <input type="checkbox"/> \$50,001 - \$100,000 <input checked="" type="checkbox"/> \$100,001 - \$500,000 <input type="checkbox"/> \$500,001 - \$1 million	<input type="checkbox"/> \$1,000,001 - \$10 million <input type="checkbox"/> \$10,000,001 - \$50 million <input type="checkbox"/> \$50,000,001 - \$100 million <input type="checkbox"/> \$100,000,001 - \$500 million	<input type="checkbox"/> \$500,000,001 - \$1 billion <input type="checkbox"/> \$1,000,000,001 - \$10 billion <input type="checkbox"/> \$10,000,000,001 - \$50 billion <input type="checkbox"/> More than \$50 billion
--	---	--	--

20. How much do you estimate your liabilities to be?	<input type="checkbox"/> \$0 - \$50,000 <input type="checkbox"/> \$50,001 - \$100,000 <input checked="" type="checkbox"/> \$100,001 - \$500,000 <input type="checkbox"/> \$500,001 - \$1 million	<input type="checkbox"/> \$1,000,001 - \$10 million <input type="checkbox"/> \$10,000,001 - \$50 million <input type="checkbox"/> \$50,000,001 - \$100 million <input type="checkbox"/> \$100,000,001 - \$500 million	<input type="checkbox"/> \$500,000,001 - \$1 billion <input type="checkbox"/> \$1,000,000,001 - \$10 billion <input type="checkbox"/> \$10,000,000,001 - \$50 billion <input type="checkbox"/> More than \$50 billion
---	---	--	--

Part 7: Sign Below**For you**

I have examined this petition, and I declare under penalty of perjury that the information provided is true and correct.

If I have chosen to file under Chapter 7, I am aware that I may proceed, if eligible, under Chapter 7, 11, 12, or 13 of title 11, United States Code. I understand the relief available under each chapter, and I choose to proceed under Chapter 7.

If no attorney represents me and I did not pay or agree to pay someone who is not an attorney to help me fill out this document, I have obtained and read the notice required by 11 U.S.C. § 342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I understand making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$250,000, or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

/s/ Alfredo Carlos Paul Galaz**Alfredo Carlos Paul Galaz**

Signature of Debtor 1

/s/ Lois May Galaz**Lois May Galaz**

Signature of Debtor 2

Executed on **May 24, 2019**

MM / DD / YYYY

Executed on **May 24, 2019**

MM / DD / YYYY

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

For your attorney, if you are represented by one

If you are not represented by an attorney, you do not need to file this page.

I, the attorney for the debtor(s) named in this petition, declare that I have informed the debtor(s) about eligibility to proceed under Chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each chapter for which the person is eligible. I also certify that I have delivered to the debtor(s) the notice required by 11 U.S.C. § 342(b) and, in a case in which § 707(b)(4)(D) applies, certify that I have no knowledge after an inquiry that the information in the schedules filed with the petition is incorrect.

/s/ Ron D. Brown OBA

Signature of Attorney for Debtor

Date

May 24, 2019

MM / DD / YYYY

Ron D. Brown OBA 16352

Printed name

Brown Law Firm PC

Firm name

715 S. Elgin Ave.

Tulsa, OK 74120

Number, Street, City, State & ZIP Code

Contact phone **918-585-9500**

Email address

ron@ronbrownlaw.com

OBA 16352 OK

Bar number & State

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2	Lois May Galaz		
(Spouse if, filing)	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number (if known)			

☐ Check if this is an amended filing
Official Form 106Sum**Summary of Your Assets and Liabilities and Certain Statistical Information**

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Fill out all of your schedules first; then complete the information on this form. If you are filing amended schedules after you file your original forms, you must fill out a new *Summary* and check the box at the top of this page.

Part 1: Summarize Your Assets

		Your assets Value of what you own
1. Schedule A/B: Property (Official Form 106A/B)		
1a. Copy line 55, Total real estate, from Schedule A/B.....	\$	330,000.00
1b. Copy line 62, Total personal property, from Schedule A/B.....	\$	56,592.00
1c. Copy line 63, Total of all property on Schedule A/B.....	\$	386,592.00

Part 2: Summarize Your Liabilities

		Your liabilities Amount you owe
2. Schedule D: Creditors Who Have Claims Secured by Property (Official Form 106D)		
2a. Copy the total you listed in Column A, <i>Amount of claim</i> , at the bottom of the last page of Part 1 of <i>Schedule D</i> ...	\$	216,564.00
3. Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 106E/F)		
3a. Copy the total claims from Part 1 (priority unsecured claims) from line 6e of <i>Schedule E/F</i>	\$	0.00
3b. Copy the total claims from Part 2 (nonpriority unsecured claims) from line 6j of <i>Schedule E/F</i>	\$	65,815.00
Your total liabilities		\$ 282,379.00

Part 3: Summarize Your Income and Expenses

4. Schedule I: Your Income (Official Form 106I)		
Copy your combined monthly income from line 12 of <i>Schedule I</i>	\$	5,655.34
5. Schedule J: Your Expenses (Official Form 106J)		
Copy your monthly expenses from line 22c of <i>Schedule J</i>	\$	4,488.00

Part 4: Answer These Questions for Administrative and Statistical Records

6. **Are you filing for bankruptcy under Chapters 7, 11, or 13?**
- ☐ No. You have nothing to report on this part of the form. Check this box and submit this form to the court with your other schedules.
- ☒ Yes
7. **What kind of debt do you have?**
- ☒ **Your debts are primarily consumer debts.** *Consumer debts* are those "incurred by an individual primarily for a personal, family, or household purpose." 11 U.S.C. § 101(8). Fill out lines 8-9g for statistical purposes. 28 U.S.C. § 159.
- ☐ **Your debts are not primarily consumer debts.** You have nothing to report on this part of the form. *Check this box* and submit this form to the court with your other schedules.

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

8. **From the Statement of Your Current Monthly Income:** Copy your total current monthly income from Official Form 122A-1 Line 11; **OR**, Form 122B Line 11; **OR**, Form 122C-1 Line 14.

\$ 2,394.34

9. **Copy the following special categories of claims from Part 4, line 6 of Schedule E/F:**

	Total claim
From Part 4 on Schedule E/F, copy the following:	
9a. Domestic support obligations (Copy line 6a.)	\$ <u>0.00</u>
9b. Taxes and certain other debts you owe the government. (Copy line 6b.)	\$ <u>0.00</u>
9c. Claims for death or personal injury while you were intoxicated. (Copy line 6c.)	\$ <u>0.00</u>
9d. Student loans. (Copy line 6f.)	\$ <u>0.00</u>
9e. Obligations arising out of a separation agreement or divorce that you did not report as priority claims. (Copy line 6g.)	\$ <u>0.00</u>
9f. Debts to pension or profit-sharing plans, and other similar debts. (Copy line 6h.)	+\$ <u>0.00</u>
9g. Total. Add lines 9a through 9f.	\$ <u>0.00</u>

Fill in this information to identify your case and this filing:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse, if filing)	Lois May Galaz		
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the: <u>NORTHERN DISTRICT OF OKLAHOMA</u>			
Case number _____			

☐ Check if this is an amended filing

Official Form 106A/B

Schedule A/B: Property

12/15

In each category, separately list and describe items. List an asset only once. If an asset fits in more than one category, list the asset in the category where you think it fits best. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Describe Each Residence, Building, Land, or Other Real Estate You Own or Have an Interest In**1. Do you own or have any legal or equitable interest in any residence, building, land, or similar property?**
☐ No. Go to Part 2.

☒ Yes. Where is the property?

1.1

3901 W Vandalia St

Street address, if available, or other description

Broken Arrow OK 74012-0000

City State ZIP Code

Tulsa

County

What is the property? Check all that apply

- ☒ Single-family home
- ☐ Duplex or multi-unit building
- ☐ Condominium or cooperative
- ☐ Manufactured or mobile home
- ☐ Land
- ☐ Investment property
- ☐ Timeshare
- ☐ Other _____

Who has an interest in the property? Check one

- ☐ Debtor 1 only
- ☐ Debtor 2 only
- ☒ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

Other information you wish to add about this item, such as local property identification number:

Legal: Subdivision: PECAN GROVE ESTATES LOT 29 BLOCK 1 Section: 17 Township: 18 Range: 14

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?
\$330,000.00

Current value of the portion you own?
\$330,000.00

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

Joint tenant

☐ Check if this is community property (see instructions)

2. Add the dollar value of the portion you own for all of your entries from Part 1, including any entries for pages you have attached for Part 1. Write that number here.....=>**\$330,000.00****Part 2: Describe Your Vehicles**

Do you own, lease, or have legal or equitable interest in any vehicles, whether they are registered or not? Include any vehicles you own that someone else drives. If you lease a vehicle, also report it on *Schedule G: Executory Contracts and Unexpired Leases*.

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

3. Cars, vans, trucks, tractors, sport utility vehicles, motorcycles

☐ No
☒ Yes

3.1 Make: **Lincoln**
 Model: **Town Car**
 Year: **2008**
 Approximate mileage: **89000**
 Other information:

Who has an interest in the property? Check one

☐ Debtor 1 only
☐ Debtor 2 only
☒ Debtor 1 and Debtor 2 only
☐ At least one of the debtors and another

☐ Check if this is community property
 (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?

Current value of the portion you own?

\$5,460.00**\$5,460.00**

3.2 Make: **Lincoln**
 Model: **Town Car**
 Year: **2001**
 Approximate mileage: **250000**
 Other information:

Who has an interest in the property? Check one

☐ Debtor 1 only
☐ Debtor 2 only
☒ Debtor 1 and Debtor 2 only
☐ At least one of the debtors and another

☐ Check if this is community property
 (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?

Current value of the portion you own?

\$1,357.00**\$1,357.00****4. Watercraft, aircraft, motor homes, ATVs and other recreational vehicles, other vehicles, and accessories**

Examples: Boats, trailers, motors, personal watercraft, fishing vessels, snowmobiles, motorcycle accessories

☒ No
☐ Yes

5 Add the dollar value of the portion you own for all of your entries from Part 2, including any entries for pages you have attached for Part 2. Write that number here.....=>

\$6,817.00**Part 3: Describe Your Personal and Household Items**

Do you own or have any legal or equitable interest in any of the following items?

Current value of the portion you own?

Do not deduct secured claims or exemptions.

6. Household goods and furnishings

Examples: Major appliances, furniture, linens, china, kitchenware

☐ No

☒ Yes. Describe.....

Misc. Household Goods and Furnishings**\$10,000.00****7. Electronics**

Examples: Televisions and radios; audio, video, stereo, and digital equipment; computers, printers, scanners; music collections; electronic devices including cell phones, cameras, media players, games

☐ No

☒ Yes. Describe.....

six televisions, two cell phones, two computers, one laptop one desktop, one tablet, one camera**\$800.00**

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

8. Collectibles of value

Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; stamp, coin, or baseball card collections; other collections, memorabilia, collectibles

☒ No☐ Yes. Describe.....**9. Equipment for sports and hobbies**

Examples: Sports, photographic, exercise, and other hobby equipment; bicycles, pool tables, golf clubs, skis; canoes and kayaks; carpentry tools; musical instruments

☐ No☒ Yes. Describe.....**Sewing machine two bicycles****\$100.00****10. Firearms**

Examples: Pistols, rifles, shotguns, ammunition, and related equipment

☐ No☒ Yes. Describe.....**two pistols****\$150.00****11. Clothes**

Examples: Everyday clothes, furs, leather coats, designer wear, shoes, accessories

☐ No☒ Yes. Describe.....**Clothing****\$400.00****12. Jewelry**

Examples: Everyday jewelry, costume jewelry, engagement rings, wedding rings, heirloom jewelry, watches, gems, gold, silver

☐ No☒ Yes. Describe.....**Wedding band and ring****\$1,150.00****Misc. Jewelry****\$50.00****13. Non-farm animals**

Examples: Dogs, cats, birds, horses

☐ No☒ Yes. Describe.....**two dogs****\$0.00****14. Any other personal and household items you did not already list, including any health aids you did not list**☐ No☒ Yes. Give specific information.....**Riding Lawnmower****\$200.00**

15. Add the dollar value of all of your entries from Part 3, including any entries for pages you have attached for Part 3. Write that number here

\$12,850.00**Part 4: Describe Your Financial Assets**

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Do you own or have any legal or equitable interest in any of the following?

Current value of the portion you own?
 Do not deduct secured claims or exemptions.

16. Cash

Examples: Money you have in your wallet, in your home, in a safe deposit box, and on hand when you file your petition

☐ No☒ Yes.....**Cash****\$89.00****17. Deposits of money**

Examples: Checking, savings, or other financial accounts; certificates of deposit; shares in credit unions, brokerage houses, and other similar institutions. If you have multiple accounts with the same institution, list each.

☐ No☒ Yes.....

Institution name:

Arvest**Business account-unused for years, not sure what closed business it was for**17.1. **Checking****\$0.00**17.2. **Checking****Arvest****\$1,453.00****18. Bonds, mutual funds, or publicly traded stocks**

Examples: Bond funds, investment accounts with brokerage firms, money market accounts

☒ No☐ Yes.....

Institution or issuer name:

19. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including an interest in an LLC, partnership, and joint venture☐ No☒ Yes. Give specific information about them.....

Name of entity:

% of ownership:

Sole proprietorship doing contract real estate sales for Coldwell Banker**100** %**\$0.00****20. Government and corporate bonds and other negotiable and non-negotiable instruments**

Negotiable instruments include personal checks, cashiers' checks, promissory notes, and money orders.

Non-negotiable instruments are those you cannot transfer to someone by signing or delivering them.

☒ No☐ Yes. Give specific information about them

Issuer name:

21. Retirement or pension accounts

Examples: Interests in IRA, ERISA, Keogh, 401(k), 403(b), thrift savings accounts, or other pension or profit-sharing plans

☐ No☒ Yes. List each account separately.

Type of account:

Institution name:

IRA**Ameriprise****\$35,000.00****Pension****Bright House****\$83.00****22. Security deposits and prepayments**

Your share of all unused deposits you have made so that you may continue service or use from a company

Examples: Agreements with landlords, prepaid rent, public utilities (electric, gas, water), telecommunications companies, or others

☐ No

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

☐ Yes.

Institution name or individual:

Water

City of Broken Arrow

\$100.00

Electric

AEP

\$100.00

Gas

ONG

\$100.00

23. **Annuities** (A contract for a periodic payment of money to you, either for life or for a number of years)

☐ No

☐ Yes..... Issuer name and description.

24. **Interests in an education IRA, in an account in a qualified ABLE program, or under a qualified state tuition program.**

26 U.S.C. §§ 530(b)(1), 529A(b), and 529(b)(1).

☐ No

☐ Yes..... Institution name and description. Separately file the records of any interests. 11 U.S.C. § 521(c):

25. **Trusts, equitable or future interests in property (other than anything listed in line 1), and rights or powers exercisable for your benefit**

☐ No

☐ Yes. Give specific information about them...

26. **Patents, copyrights, trademarks, trade secrets, and other intellectual property**

Examples: Internet domain names, websites, proceeds from royalties and licensing agreements

☐ No

☐ Yes. Give specific information about them...

27. **Licenses, franchises, and other general intangibles**

Examples: Building permits, exclusive licenses, cooperative association holdings, liquor licenses, professional licenses

☐ No

☐ Yes. Give specific information about them...

Real Estate License

\$0.00

Money or property owed to you?

Current value of the portion you own?
Do not deduct secured claims or exemptions.

28. **Tax refunds owed to you**

☐ No

☐ Yes. Give specific information about them, including whether you already filed the returns and the tax years.....

29. **Family support**

Examples: Past due or lump sum alimony, spousal support, child support, maintenance, divorce settlement, property settlement

☐ No

☐ Yes. Give specific information.....

30. **Other amounts someone owes you**

Examples: Unpaid wages, disability insurance payments, disability benefits, sick pay, vacation pay, workers' compensation, Social Security benefits; unpaid loans you made to someone else

☐ No

☐ Yes. Give specific information..

31. **Interests in insurance policies**

Examples: Health, disability, or life insurance; health savings account (HSA); credit, homeowner's, or renter's insurance

☐ No

☐ Yes. Name the insurance company of each policy and list its value.

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Company name:	Beneficiary:	Surrender or refund value:
Term Life Insurance Policy \$40,000 Death Benefits Only	Debtor 2	\$0.00
Term Life Insurance Policy \$40,000 Death Benefits Only	Debtor 1	\$0.00
State Farm vehicle insurance policy	Debtor 1 and 2	\$0.00
State Farm homeowners insurance policy	Debtor 1 and 2	\$0.00

32. **Any interest in property that is due you from someone who has died**

If you are the beneficiary of a living trust, expect proceeds from a life insurance policy, or are currently entitled to receive property because someone has died.

☒ No

☐ Yes. Give specific information..

33. **Claims against third parties, whether or not you have filed a lawsuit or made a demand for payment**

Examples: Accidents, employment disputes, insurance claims, or rights to sue

☒ No

☐ Yes. Describe each claim.....

34. **Other contingent and unliquidated claims of every nature, including counterclaims of the debtor and rights to set off claims**

☒ No

☐ Yes. Describe each claim.....

35. **Any financial assets you did not already list**

☒ No

☐ Yes. Give specific information..

36. **Add the dollar value of all of your entries from Part 4, including any entries for pages you have attached for Part 4. Write that number here.....**

\$36,925.00

Part 5: Describe Any Business-Related Property You Own or Have an Interest In. List any real estate in Part 1.

37. **Do you own or have any legal or equitable interest in any business-related property?**

☒ No. Go to Part 6.

☐ Yes. Go to line 38.

Part 6: Describe Any Farm- and Commercial Fishing-Related Property You Own or Have an Interest In.

If you own or have an interest in farmland, list it in Part 1.

46. **Do you own or have any legal or equitable interest in any farm- or commercial fishing-related property?**

☒ No. Go to Part 7.

☐ Yes. Go to line 47.

Part 7: Describe All Property You Own or Have an Interest in That You Did Not List Above

53. **Do you have other property of any kind you did not already list?**

Examples: Season tickets, country club membership

☒ No

☐ Yes. Give specific information.....

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

54. Add the dollar value of all of your entries from Part 7. Write that number here

\$0.00**Part 8:** List the Totals of Each Part of this Form

55. Part 1: Total real estate, line 2		\$330,000.00
56. Part 2: Total vehicles, line 5	\$6,817.00	
57. Part 3: Total personal and household items, line 15	\$12,850.00	
58. Part 4: Total financial assets, line 36	\$36,925.00	
59. Part 5: Total business-related property, line 45	\$0.00	
60. Part 6: Total farm- and fishing-related property, line 52	\$0.00	
61. Part 7: Total other property not listed, line 54	\$0.00	
	+	
62. Total personal property. Add lines 56 through 61...	\$56,592.00	Copy personal property total \$56,592.00
63. Total of all property on Schedule A/B. Add line 55 + line 62		\$386,592.00

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse if, filing)	Lois May Galaz		
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number (if known)			

☐ Check if this is an amended filing
Official Form 106C**Schedule C: The Property You Claim as Exempt**

4/19

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Using the property you listed on *Schedule A/B: Property* (Official Form 106A/B) as your source, list the property that you claim as exempt. If more space is needed, fill out and attach to this page as many copies of *Part 2: Additional Page* as necessary. On the top of any additional pages, write your name and case number (if known).

For each item of property you claim as exempt, you must specify the amount of the exemption you claim. One way of doing so is to state a specific dollar amount as exempt. Alternatively, you may claim the full fair market value of the property being exempted up to the amount of any applicable statutory limit. Some exemptions—such as those for health aids, rights to receive certain benefits, and tax-exempt retirement funds—may be unlimited in dollar amount. However, if you claim an exemption of 100% of fair market value under a law that limits the exemption to a particular dollar amount and the value of the property is determined to exceed that amount, your exemption would be limited to the applicable statutory amount.

Part 1: Identify the Property You Claim as Exempt

1. Which set of exemptions are you claiming? Check one only, even if your spouse is filing with you.

- ☒ You are claiming state and federal nonbankruptcy exemptions. 11 U.S.C. § 522(b)(3)
- ☐ You are claiming federal exemptions. 11 U.S.C. § 522(b)(2)

2. For any property you list on *Schedule A/B* that you claim as exempt, fill in the information below.

Brief description of the property and line on <i>Schedule A/B</i> that lists this property	Current value of the portion you own <small>Copy the value from <i>Schedule A/B</i></small>	Amount of the exemption you claim <small>Check only one box for each exemption.</small>	Specific laws that allow exemption
3901 W Vandalia St Broken Arrow, OK 74012 Tulsa County Legal: Subdivision: PECAN GROVE ESTATES LOT 29 BLOCK 1 Section: 17 Township: 18 Range: 14 Line from <i>Schedule A/B</i> : 1.1	\$330,000.00	<input checked="" type="checkbox"/> \$111,859.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, §§ 1(A)(1),(2); Okla. Stat. tit. 31, § 2
2008 Lincoln Town Car 89000 miles Line from <i>Schedule A/B</i> : 3.1	\$5,460.00	<input type="checkbox"/> <input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(13)
2001 Lincoln Town Car 250000 miles Line from <i>Schedule A/B</i> : 3.2	\$1,357.00	<input type="checkbox"/> <input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(13)
Misc. Household Goods and Furnishings Line from <i>Schedule A/B</i> : 6.1	\$10,000.00	<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(3)
six televisions, two cell phones, two computers, one laptop one desktop, one tablet, one camera Line from <i>Schedule A/B</i> : 7.1	\$800.00	<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(3)

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known)

Brief description of the property and line on Schedule A/B that lists this property	Current value of the portion you own <small>Copy the value from Schedule A/B</small>	Amount of the exemption you claim <small>Check only one box for each exemption.</small>	Specific laws that allow exemption
two pistols Line from Schedule A/B: 10.1	<u>\$150.00</u>	<input type="checkbox"/> <input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(14)
Clothing Line from Schedule A/B: 11.1	<u>\$400.00</u>	<input type="checkbox"/> <input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(7)
Wedding band and ring Line from Schedule A/B: 12.1	<u>\$1,150.00</u>	<input type="checkbox"/> <input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(8)
Misc. Jewelry Line from Schedule A/B: 12.2	<u>\$50.00</u>	<input type="checkbox"/> <input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(7)
Riding Lawnmower Line from Schedule A/B: 14.1	<u>\$200.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(3)
Cash Line from Schedule A/B: 16.1	<u>\$89.00</u>	<input checked="" type="checkbox"/> <u>75%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 12, § 1171.1; Okla. Stat. tit. 31, § 1(A)(18)
Checking: Arvest Business account-unused for years, not sure what closed business it was for Line from Schedule A/B: 17.1	<u>\$0.00</u>	<input checked="" type="checkbox"/> <u>75%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 12, § 1171.1; Okla. Stat. tit. 31, § 1(A)(18)
IRA: Ameriprise Line from Schedule A/B: 21.1	<u>\$35,000.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(20)
Pension: Bright House Line from Schedule A/B: 21.2	<u>\$83.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(20)
Water: City of Broken Arrow Line from Schedule A/B: 22.1	<u>\$100.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1.1
Electric: AEP Line from Schedule A/B: 22.2	<u>\$100.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1.1

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Brief description of the property and line on Schedule A/B that lists this property	Current value of the portion you own <small>Copy the value from Schedule A/B</small>	Amount of the exemption you claim <small>Check only one box for each exemption.</small>	Specific laws that allow exemption
Gas: ONG Line from Schedule A/B: 22.3	\$100.00	<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1.1
Term Life Insurance Policy \$40,000 Death Benefits Only Beneficiary: Debtor 2 Line from Schedule A/B: 31.1	\$0.00	<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 36, § 3631.1
Term Life Insurance Policy \$40,000 Death Benefits Only Beneficiary: Debtor 1 Line from Schedule A/B: 31.2	\$0.00	<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 36, § 3631.1

3. **Are you claiming a homestead exemption of more than \$170,350?**

(Subject to adjustment on 4/01/22 and every 3 years after that for cases filed on or after the date of adjustment.)

☒ No☐ Yes. Did you acquire the property covered by the exemption within 1,215 days before you filed this case?☐ No☐ Yes

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse if, filing)	Lois May Galaz		
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number (if known)			

☐ Check if this is an amended filing
Official Form 106D**Schedule D: Creditors Who Have Claims Secured by Property****12/15**

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, copy the Additional Page, fill it out, number the entries, and attach it to this form. On the top of any additional pages, write your name and case number (if known).

1. Do any creditors have claims secured by your property?

- ☐ No. Check this box and submit this form to the court with your other schedules. You have nothing else to report on this form.
- ☒ Yes. Fill in all of the information below.

Part 1: List All Secured Claims

2. List all secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim. If more than one creditor has a particular claim, list the other creditors in Part 2. As much as possible, list the claims in alphabetical order according to the creditor's name.

Column A	Column B	Column C
Amount of claim Do not deduct the value of collateral.	Value of collateral that supports this claim	Unsecured portion If any
\$216,564.00	\$330,000.00	\$0.00

2.1 Gateway Mortgage Group

Creditor's Name

**Attn: Bankruptcy Dept.
244 S Gateway Place
Jenks, OK 74037**

Number, Street, City, State & Zip Code

Describe the property that secures the claim:

**3901 W Vandalia St Broken Arrow,
OK 74012 Tulsa County
Legal: Subdivision: PECAN GROVE
ESTATES LOT 29 BLOCK 1 Section:
17 Township: 18 Range: 14**

As of the date you file, the claim is: Check all that apply.

- ☐ Contingent
☐ Unliquidated
☐ Disputed

Nature of lien. Check all that apply.

- ☐ An agreement you made (such as mortgage or secured car loan)
☐ Statutory lien (such as tax lien, mechanic's lien)
☐ Judgment lien from a lawsuit
☒ Other (including a right to offset)

Mortgage**Who owes the debt?** Check one.

- ☐ Debtor 1 only
☐ Debtor 2 only
☒ Debtor 1 and Debtor 2 only
☐ At least one of the debtors and another
☐ Check if this claim relates to a community debt

**Opened
10/17/16
Last Active**

Date debt was incurred **4/05/19**Last 4 digits of account number **9695**

Add the dollar value of your entries in Column A on this page. Write that number here:

\$216,564.00

If this is the last page of your form, add the dollar value totals from all pages.
Write that number here:

\$216,564.00**Part 2: List Others to Be Notified for a Debt That You Already Listed**

Use this page only if you have others to be notified about your bankruptcy for a debt that you already listed in Part 1. For example, if a collection agency is trying to collect from you for a debt you owe to someone else, list the creditor in Part 1, and then list the collection agency here. Similarly, if you have more than one creditor for any of the debts that you listed in Part 1, list the additional creditors here. If you do not have additional persons to be notified for any debts in Part 1, do not fill out or submit this page.

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2	Lois May Galaz		
(Spouse if, filing)	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number			
(if known)			

☐ Check if this is an amended filing

Official Form 106E/F

Schedule E/F: Creditors Who Have Unsecured Claims**12/15**

Be as complete and accurate as possible. Use Part 1 for creditors with PRIORITY claims and Part 2 for creditors with NONPRIORITY claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on Schedule A/B: Property (Official Form 106A/B) and on Schedule G: Executory Contracts and Unexpired Leases (Official Form 106G). Do not include any creditors with partially secured claims that are listed in Schedule D: Creditors Who Have Claims Secured by Property. If more space is needed, copy the Part you need, fill it out, number the entries in the boxes on the left. Attach the Continuation Page to this page. If you have no information to report in a Part, do not file that Part. On the top of any additional pages, write your name and case number (if known).

Part 1: List All of Your PRIORITY Unsecured Claims**1. Do any creditors have priority unsecured claims against you?**
☒ No. Go to Part 2.

☐ Yes.
Part 2: List All of Your NONPRIORITY Unsecured Claims**3. Do any creditors have nonpriority unsecured claims against you?**
☐ No. You have nothing to report in this part. Submit this form to the court with your other schedules.

☒ Yes.

4. List all of your nonpriority unsecured claims in the alphabetical order of the creditor who holds each claim. If a creditor has more than one nonpriority unsecured claim, list the creditor separately for each claim. For each claim listed, identify what type of claim it is. Do not list claims already included in Part 1. If more than one creditor holds a particular claim, list the other creditors in Part 3. If you have more than three nonpriority unsecured claims fill out the Continuation Page of Part 2.

4.1	Bank Of America Nonpriority Creditor's Name 4909 Savarese Circle FI1-908-01-50 Tampa, FL 33634 Number Street City State Zip Code Who incurred the debt? Check one. <input checked="" type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Last 4 digits of account number 6104 When was the debt incurred? Opened 03/05 Last Active 05/19 As of the date you file, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Type of NONPRIORITY unsecured claim: <input type="checkbox"/> Student loans <input type="checkbox"/> Obligations arising out of a separation agreement or divorce that you did not report as priority claims <input type="checkbox"/> Debts to pension or profit-sharing plans, and other similar debts <input checked="" type="checkbox"/> Other. Specify Credit Card	Total claim \$2,782.00
------------	---	---	---

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known)

4.2	Capital One Nonpriority Creditor's Name Attn: Bankruptcy Po Box 30285 Salt Lake City, UT 84130 Number Street City State Zip Code Who incurred the debt? Check one. <input type="checkbox"/> Debtor 1 only <input checked="" type="checkbox"/> Debtor 2 only <input type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Last 4 digits of account number 7840 Opened 01/00 Last Active 02/19 When was the debt incurred? As of the date you file, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Type of NONPRIORITY unsecured claim: <input type="checkbox"/> Student loans <input type="checkbox"/> Obligations arising out of a separation agreement or divorce that you did not report as priority claims <input type="checkbox"/> Debts to pension or profit-sharing plans, and other similar debts <input checked="" type="checkbox"/> Other. Specify Credit Card	\$1,344.00
-----	---	---	-------------------

4.3	Capital One Nonpriority Creditor's Name Attn: Bankruptcy Po Box 30285 Salt Lake City, UT 84130 Number Street City State Zip Code Who incurred the debt? Check one. <input type="checkbox"/> Debtor 1 only <input checked="" type="checkbox"/> Debtor 2 only <input type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Last 4 digits of account number 7701 Opened 04/02 Last Active 02/19 When was the debt incurred? As of the date you file, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Type of NONPRIORITY unsecured claim: <input type="checkbox"/> Student loans <input type="checkbox"/> Obligations arising out of a separation agreement or divorce that you did not report as priority claims <input type="checkbox"/> Debts to pension or profit-sharing plans, and other similar debts <input checked="" type="checkbox"/> Other. Specify Credit Card	\$4,011.00
-----	---	---	-------------------

4.4	Credit Card Services Nonpriority Creditor's Name Attn: Bankruptcy Dept P. O. Box 7054 Bridgeport, CT 06601 Number Street City State Zip Code Who incurred the debt? Check one. <input type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input checked="" type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Last 4 digits of account number 1325 Opened 07/99 Last Active 02/19 When was the debt incurred? As of the date you file, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Type of NONPRIORITY unsecured claim: <input type="checkbox"/> Student loans <input type="checkbox"/> Obligations arising out of a separation agreement or divorce that you did not report as priority claims <input type="checkbox"/> Debts to pension or profit-sharing plans, and other similar debts <input checked="" type="checkbox"/> Other. Specify Credit Card	\$13,871.00
-----	---	---	--------------------

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known)

4.5

Pentagon Federal Credit Union

Nonpriority Creditor's Name

Last 4 digits of account number **0543****\$43,807.00**

Po Box 1432
Alexandria, VA 22313

Number Street City State Zip Code

Who incurred the debt? Check one.

☐ Debtor 1 only☐ Debtor 2 only☒ Debtor 1 and Debtor 2 only☐ At least one of the debtors and another☐ Check if this claim is for a community debt

Is the claim subject to offset?

☒ No☐ Yes

When was the debt incurred?

Opened 06/09 Last Active
01/19

As of the date you file, the claim is: Check all that apply

☐ Contingent☐ Unliquidated☐ Disputed

Type of NONPRIORITY unsecured claim:

☐ Student loans☐ Obligations arising out of a separation agreement or divorce that you did not report as priority claims☐ Debts to pension or profit-sharing plans, and other similar debts☒ Other. Specify **Credit Card****Part 3: List Others to Be Notified About a Debt That You Already Listed**

5. Use this page only if you have others to be notified about your bankruptcy, for a debt that you already listed in Parts 1 or 2. For example, if a collection agency is trying to collect from you for a debt you owe to someone else, list the original creditor in Parts 1 or 2, then list the collection agency here. Similarly, if you have more than one creditor for any of the debts that you listed in Parts 1 or 2, list the additional creditors here. If you do not have additional persons to be notified for any debts in Parts 1 or 2, do not fill out or submit this page.

Part 4: Add the Amounts for Each Type of Unsecured Claim

6. Total the amounts of certain types of unsecured claims. This information is for statistical reporting purposes only. 28 U.S.C. §159. Add the amounts for each type of unsecured claim.

		Total Claim	
Total claims from Part 1	6a. Domestic support obligations	6a.	\$ 0.00
	6b. Taxes and certain other debts you owe the government	6b.	\$ 0.00
	6c. Claims for death or personal injury while you were intoxicated	6c.	\$ 0.00
	6d. Other. Add all other priority unsecured claims. Write that amount here.	6d.	\$ 0.00
	6e. Total Priority. Add lines 6a through 6d.	6e.	\$ 0.00
Total claims from Part 2	6f. Student loans	6f.	\$ 0.00
	6g. Obligations arising out of a separation agreement or divorce that you did not report as priority claims	6g.	\$ 0.00
	6h. Debts to pension or profit-sharing plans, and other similar debts	6h.	\$ 0.00
	6i. Other. Add all other nonpriority unsecured claims. Write that amount here.	6i.	\$ 65,815.00
	6j. Total Nonpriority. Add lines 6f through 6i.	6j.	\$ 65,815.00

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse if, filing)	Lois May Galaz		
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number (if known)			

☐ Check if this is an amended filing

Official Form 106G**Schedule G: Executory Contracts and Unexpired Leases**

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, copy the additional page, fill it out, number the entries, and attach it to this page. On the top of any additional pages, write your name and case number (if known).

- Do you have any executory contracts or unexpired leases?**
☐ No. Check this box and file this form with the court with your other schedules. You have nothing else to report on this form.
☒ Yes. Fill in all of the information below even if the contacts of leases are listed on *Schedule A/B:Property* (Official Form 106 A/B).
- List separately each person or company with whom you have the contract or lease. Then state what each contract or lease is for (for example, rent, vehicle lease, cell phone).** See the instructions for this form in the instruction booklet for more examples of executory contracts and unexpired leases.

Person or company with whom you have the contract or lease Name, Number, Street, City, State and ZIP Code		State what the contract or lease is for
2.1	Alert 360 3158 S. 108th Street Suite 220 Tulsa, OK 74146	Three year contract for alarm system service signed October 2016
2.2	Cox Communications PO Box 21039 Tulsa, OK 74121-1039	Three year contract for internet & cable service signed September 2016

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse if, filing)	Lois May Galaz		
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number (if known)			

☐ Check if this is an amended filing

Official Form 106H

Schedule H: Your Codebtors

12/15

Codebtors are people or entities who are also liable for any debts you may have. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, copy the Additional Page, fill it out, and number the entries in the boxes on the left. Attach the Additional Page to this page. On the top of any Additional Pages, write your name and case number (if known). Answer every question.

1. Do you have any codebtors? (If you are filing a joint case, do not list either spouse as a codebtor.)

- ☒ No
☐ Yes

2. Within the last 8 years, have you lived in a community property state or territory? (Community property states and territories include Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin.)

- ☒ No. Go to line 3.
☐ Yes. Did your spouse, former spouse, or legal equivalent live with you at the time?

3. In Column 1, list all of your codebtors. Do not include your spouse as a codebtor if your spouse is filing with you. List the person shown in line 2 again as a codebtor only if that person is a guarantor or cosigner. Make sure you have listed the creditor on Schedule D (Official Form 106D), Schedule E/F (Official Form 106E/F), or Schedule G (Official Form 106G). Use Schedule D, Schedule E/F, or Schedule G to fill out Column 2.

Column 1: Your codebtor

Name, Number, Street, City, State and ZIP Code

Column 2: The creditor to whom you owe the debt

Check all schedules that apply:

3.1

Name

Number	Street		
City		State	ZIP Code

- ☐ Schedule D, line _____
☐ Schedule E/F, line _____
☐ Schedule G, line _____

3.2

Name

Number	Street		
City		State	ZIP Code

- ☐ Schedule D, line _____
☐ Schedule E/F, line _____
☐ Schedule G, line _____

Fill in this information to identify your case:

Debtor 1 Alfredo Carlos Paul GalazDebtor 2 Lois May Galaz

(Spouse, if filing)

United States Bankruptcy Court for the: NORTHERN DISTRICT OF OKLAHOMACase number
(If known)

Check if this is:

☐ An amended filing☐ A supplement showing postpetition chapter 13 income as of the following date:MM / DD / YYYY

Official Form 106I

Schedule I: Your Income

12/15

Be as complete and accurate as possible. If two married people are filing together (Debtor 1 and Debtor 2), both are equally responsible for supplying correct information. If you are married and not filing jointly, and your spouse is living with you, include information about your spouse. If you are separated and your spouse is not filing with you, do not include information about your spouse. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Describe Employment

1. Fill in your employment information.

If you have more than one job, attach a separate page with information about additional employers.

Include part-time, seasonal, or self-employed work.

Occupation may include student or homemaker, if it applies.

Employment status

- ☐ Employed
☒ Not employed

Occupation

Retired

Employer's name

Employer's address

Real Estate Agent
3901 S. Vandalia St.
Broken Arrow, OK 74012

How long employed there?

3 Months**Part 2: Give Details About Monthly Income**

Estimate monthly income as of the date you file this form. If you have nothing to report for any line, write \$0 in the space. Include your non-filing spouse unless you are separated.

If you or your non-filing spouse have more than one employer, combine the information for all employers for that person on the lines below. If you need more space, attach a separate sheet to this form.

	For Debtor 1	For Debtor 2 or non-filing spouse
2. List monthly gross wages, salary, and commissions (before all payroll deductions). If not paid monthly, calculate what the monthly wage would be.	2. \$ <u>0.00</u>	\$ <u>0.00</u>
3. Estimate and list monthly overtime pay.	3. +\$ <u>0.00</u>	+\$ <u>0.00</u>
4. Calculate gross income. Add line 2 + line 3.	4. \$ <u>0.00</u>	\$ <u>0.00</u>

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known)

	For Debtor 1	For Debtor 2 or non-filing spouse
Copy line 4 here	4. \$ 0.00	\$ 0.00
5. List all payroll deductions:		
5a. Tax, Medicare, and Social Security deductions	5a. \$ 0.00	\$ 0.00
5b. Mandatory contributions for retirement plans	5b. \$ 0.00	\$ 0.00
5c. Voluntary contributions for retirement plans	5c. \$ 0.00	\$ 0.00
5d. Required repayments of retirement fund loans	5d. \$ 0.00	\$ 0.00
5e. Insurance	5e. \$ 0.00	\$ 0.00
5f. Domestic support obligations	5f. \$ 0.00	\$ 0.00
5g. Union dues	5g. \$ 0.00	\$ 0.00
5h. Other deductions. Specify:	5h.+ \$ 0.00	\$ 0.00
6. Add the payroll deductions. Add lines 5a+5b+5c+5d+5e+5f+5g+5h.	6. \$ 0.00	\$ 0.00
7. Calculate total monthly take-home pay. Subtract line 6 from line 4.	7. \$ 0.00	\$ 0.00
8. List all other income regularly received:		
8a. Net income from rental property and from operating a business, profession, or farm Attach a statement for each property and business showing gross receipts, ordinary and necessary business expenses, and the total monthly net income.	8a. \$ 0.00	\$ 67.34
8b. Interest and dividends	8b. \$ 0.00	\$ 0.00
8c. Family support payments that you, a non-filing spouse, or a dependent regularly receive Include alimony, spousal support, child support, maintenance, divorce settlement, and property settlement.	8c. \$ 0.00	\$ 0.00
8d. Unemployment compensation	8d. \$ 0.00	\$ 0.00
8e. Social Security	8e. \$ 1,884.00	\$ 1,377.00
8f. Other government assistance that you regularly receive Include cash assistance and the value (if known) of any non-cash assistance that you receive, such as food stamps (benefits under the Supplemental Nutrition Assistance Program) or housing subsidies. Specify:	8f. \$ 0.00	\$ 0.00
8g. Pension or retirement income	8g. \$ 1,021.00	\$ 1,223.00
8h. Other monthly income. Specify: Annuity Pension	8h.+ \$ 83.00	\$ 0.00
9. Add all other income. Add lines 8a+8b+8c+8d+8e+8f+8g+8h.	9. \$ 2,988.00	\$ 2,667.34
10. Calculate monthly income. Add line 7 + line 9. Add the entries in line 10 for Debtor 1 and Debtor 2 or non-filing spouse.	10. \$ 2,988.00 + \$ 2,667.34 = \$ 5,655.34	
11. State all other regular contributions to the expenses that you list in Schedule J. Include contributions from an unmarried partner, members of your household, your dependents, your roommates, and other friends or relatives. Do not include any amounts already included in lines 2-10 or amounts that are not available to pay expenses listed in Schedule J. Specify:		
	11. +\$	0.00
12. Add the amount in the last column of line 10 to the amount in line 11. The result is the combined monthly income. Write that amount on the <i>Summary of Schedules</i> and <i>Statistical Summary of Certain Liabilities and Related Data</i> , if it applies	12. \$	5,655.34
13. Do you expect an increase or decrease within the year after you file this form?		
<input type="checkbox"/> No.		
<input checked="" type="checkbox"/> Yes. Explain: Lios Galaz is seeking her realtor's license, and hopes she will be profitable int the future, but has not had any income yet.		

Fill in this information to identify your case:

Debtor 1 Alfredo Carlos Paul Galaz

Debtor 2 Lois May Galaz
(Spouse, if filing)

United States Bankruptcy Court for the: NORTHERN DISTRICT OF OKLAHOMA

Case number
(If known) _____

Check if this is:

- ☐ An amended filing
- ☐ A supplement showing postpetition chapter 13 expenses as of the following date:

MM / DD / YYYY

Official Form 106J

Schedule J: Your Expenses

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach another sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Describe Your Household

1. Is this a joint case?

☐ No. Go to line 2.☒ Yes. Does Debtor 2 live in a separate household?☒ No☐ Yes. Debtor 2 must file Official Form 106J-2, *Expenses for Separate Household* of Debtor 2.2. Do you have dependents? ☒ No

Do not list Debtor 1 and Debtor 2.

☐ Yes. Fill out this information for each dependent.....

Dependent's relationship to Debtor 1 or Debtor 2

Dependent's age

Does dependent live with you?

Do not state the dependents names.

- ☐ No
- ☐ Yes
- ☐ No
- ☐ Yes
- ☐ No
- ☐ Yes
- ☐ No
- ☐ Yes

3. Do your expenses include expenses of people other than yourself and your dependents?

☒ No☐ Yes

Part 2: Estimate Your Ongoing Monthly Expenses

Estimate your expenses as of your bankruptcy filing date unless you are using this form as a supplement in a Chapter 13 case to report expenses as of a date after the bankruptcy is filed. If this is a supplemental *Schedule J*, check the box at the top of the form and fill in the applicable date.

Include expenses paid for with non-cash government assistance if you know the value of such assistance and have included it on *Schedule I: Your Income* (Official Form 106I.)

Your expenses

4. The rental or home ownership expenses for your residence. Include first mortgage payments and any rent for the ground or lot.

4. \$ 1,502.00

If not included in line 4:

4a. Real estate taxes

4a. \$ 0.00

4b. Property, homeowner's, or renter's insurance

4b. \$ 0.00

4c. Home maintenance, repair, and upkeep expenses

4c. \$ 150.00

4d. Homeowner's association or condominium dues

4d. \$ 29.00

5. Additional mortgage payments for your residence, such as home equity loans

5. \$ 0.00

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

6. Utilities:		
6a. Electricity, heat, natural gas	6a. \$	305.00
6b. Water, sewer, garbage collection	6b. \$	125.00
6c. Telephone, cell phone, Internet, satellite, and cable services	6c. \$	345.00
6d. Other. Specify: _____	6d. \$	0.00
7. Food and housekeeping supplies	7. \$	800.00
8. Childcare and children's education costs	8. \$	0.00
9. Clothing, laundry, and dry cleaning	9. \$	174.00
10. Personal care products and services	10. \$	180.00
11. Medical and dental expenses	11. \$	300.00
12. Transportation. Include gas, maintenance, bus or train fare. Do not include car payments.	12. \$	250.00
13. Entertainment, clubs, recreation, newspapers, magazines, and books	13. \$	150.00
14. Charitable contributions and religious donations	14. \$	0.00
15. Insurance. Do not include insurance deducted from your pay or included in lines 4 or 20.		
15a. Life insurance	15a. \$	0.00
15b. Health insurance	15b. \$	0.00
15c. Vehicle insurance	15c. \$	81.00
15d. Other insurance. Specify: Appliance Insurance	15d. \$	62.00
16. Taxes. Do not include taxes deducted from your pay or included in lines 4 or 20. Specify: _____		
16. \$		0.00
17. Installment or lease payments:		
17a. Car payments for Vehicle 1	17a. \$	0.00
17b. Car payments for Vehicle 2	17b. \$	0.00
17c. Other. Specify: _____	17c. \$	0.00
17d. Other. Specify: _____	17d. \$	0.00
18. Your payments of alimony, maintenance, and support that you did not report as deducted from your pay on line 5, Schedule I, Your Income (Official Form 106I).		
18. \$		0.00
19. Other payments you make to support others who do not live with you.		
19. \$		0.00
20. Other real property expenses not included in lines 4 or 5 of this form or on Schedule I: Your Income.		
20a. Mortgages on other property	20a. \$	0.00
20b. Real estate taxes	20b. \$	0.00
20c. Property, homeowner's, or renter's insurance	20c. \$	0.00
20d. Maintenance, repair, and upkeep expenses	20d. \$	0.00
20e. Homeowner's association or condominium dues	20e. \$	0.00
21. Other: Specify: Alert Alarm		
21. +\$		35.00
22. Calculate your monthly expenses		
22a. Add lines 4 through 21.	\$	4,488.00
22b. Copy line 22 (monthly expenses for Debtor 2), if any, from Official Form 106J-2	\$	
22c. Add line 22a and 22b. The result is your monthly expenses.	\$	4,488.00
23. Calculate your monthly net income.		
23a. Copy line 12 (<i>your combined monthly income</i>) from Schedule I.	23a. \$	5,655.34
23b. Copy your monthly expenses from line 22c above.	23b. -\$	4,488.00
23c. Subtract your monthly expenses from your monthly income. The result is your <i>monthly net income</i> .	23c. \$	1,167.34
24. Do you expect an increase or decrease in your expenses within the year after you file this form? For example, do you expect to finish paying for your car loan within the year or do you expect your mortgage payment to increase or decrease because of a modification to the terms of your mortgage?		
<input checked="" type="checkbox"/> No.		
<input type="checkbox"/> Yes. Explain here: _____		

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2	Lois May Galaz		
(Spouse if, filing)	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number (if known)			

☐ Check if this is an amended filing

Official Form 106Dec

Declaration About an Individual Debtor's Schedules

12/15

If two married people are filing together, both are equally responsible for supplying correct information.

You must file this form whenever you file bankruptcy schedules or amended schedules. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$250,000, or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Sign Below

Did you pay or agree to pay someone who is NOT an attorney to help you fill out bankruptcy forms?

☒ No

☐ Yes. Name of person _____ Attach Bankruptcy Petition Preparer's Notice, Declaration, and Signature (Official Form 119)

Under penalty of perjury, I declare that I have read the summary and schedules filed with this declaration and that they are true and correct.

X /s/ Alfredo Carlos Paul Galaz
Alfredo Carlos Paul Galaz
 Signature of Debtor 1

Date May 24, 2019

X /s/ Lois May Galaz
Lois May Galaz
 Signature of Debtor 2

Date May 24, 2019

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse if, filing)	Lois May Galaz		
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number (if known)			

☐ Check if this is an amended filing
Official Form 107**Statement of Financial Affairs for Individuals Filing for Bankruptcy**

4/19

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Give Details About Your Marital Status and Where You Lived Before**1. What is your current marital status?**

- ☒ Married
☐ Not married

2. During the last 3 years, have you lived anywhere other than where you live now?

- ☐ No
☒ Yes. List all of the places you lived in the last 3 years. Do not include where you live now.

Debtor 1 Prior Address:

508 Red Cloud Drive
Harker Heights, TX 76548

Dates Debtor 1 lived there

From-To:
August 1997-August 2016

Debtor 2 Prior Address:

☒ Same as Debtor 1

Dates Debtor 2 lived there

☒ Same as Debtor 1
From-To:

3. Within the last 8 years, did you ever live with a spouse or legal equivalent in a community property state or territory? (Community property states and territories include Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington and Wisconsin.)

- ☒ No
☐ Yes. Make sure you fill out *Schedule H: Your Creditors* (Official Form 106H).

Part 2 Explain the Sources of Your Income**4. Did you have any income from employment or from operating a business during this year or the two previous calendar years?**

Fill in the total amount of income you received from all jobs and all businesses, including part-time activities. If you are filing a joint case and you have income that you receive together, list it only once under Debtor 1.

- ☐ No
☒ Yes. Fill in the details.

Debtor 1

Sources of income
Check all that apply.

Gross income
(before deductions and exclusions)

Debtor 2

Sources of income
Check all that apply.

Gross income
(before deductions and exclusions)

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

	Debtor 1		Debtor 2
	Sources of income Check all that apply.	Gross income (before deductions and exclusions)	Sources of income Check all that apply.
From January 1 of current year until the date you filed for bankruptcy:	<input type="checkbox"/> Wages, commissions, bonuses, tips <input type="checkbox"/> Operating a business	\$0.00	<input type="checkbox"/> Wages, commissions, bonuses, tips <input checked="" type="checkbox"/> Operating a business
			\$642.34

5. Did you receive any other income during this year or the two previous calendar years?

Include income regardless of whether that income is taxable. Examples of *other income* are alimony; child support; Social Security, unemployment, and other public benefit payments; pensions; rental income; interest; dividends; money collected from lawsuits; royalties; and gambling and lottery winnings. If you are filing a joint case and you have income that you received together, list it only once under Debtor 1.

List each source and the gross income from each source separately. Do not include income that you listed in line 4.

- ☐ No
☒ Yes. Fill in the details.

	Debtor 1		Debtor 2
	Sources of income Describe below.	Gross income from each source (before deductions and exclusions)	Sources of income Describe below.
From January 1 of current year until the date you filed for bankruptcy:	Social Security, Pensions, and Annuities	\$2,988.00	Social Security, Pensions, and Annuities
			\$2,600.00
For last calendar year: (January 1 to December 31, 2018)	Social Security	\$26,508.00	Social Security
			\$20,412.00
	Pensions and Annuities	\$27,924.00	
For the calendar year before that: (January 1 to December 31, 2017)	Social Security	\$45,984.00	Social Security, Pensions, and Annuities
			\$0.00
	Pensions and Annuities	\$30,482.00	

Part 3: List Certain Payments You Made Before You Filed for Bankruptcy

6. Are either Debtor 1's or Debtor 2's debts primarily consumer debts?

- ☐ No. **Neither Debtor 1 nor Debtor 2 has primarily consumer debts.** *Consumer debts* are defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose."

During the 90 days before you filed for bankruptcy, did you pay any creditor a total of \$6,825* or more?

- ☐ No. Go to line 7.
☐ Yes List below each creditor to whom you paid a total of \$6,825* or more in one or more payments and the total amount you paid that creditor. Do not include payments for domestic support obligations, such as child support and alimony. Also, do not include payments to an attorney for this bankruptcy case.

* Subject to adjustment on 4/01/22 and every 3 years after that for cases filed on or after the date of adjustment.

- ☒ Yes. **Debtor 1 or Debtor 2 or both have primarily consumer debts.**

During the 90 days before you filed for bankruptcy, did you pay any creditor a total of \$600 or more?

- ☐ No. Go to line 7.
☒ Yes List below each creditor to whom you paid a total of \$600 or more and the total amount you paid that creditor. Do not include payments for domestic support obligations, such as child support and alimony. Also, do not include payments to an attorney for this bankruptcy case.

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Creditor's Name and Address	Dates of payment	Total amount paid	Amount you still owe	Was this payment for ...
Gateway Mortgage Group Attn: Bankruptcy Dept. 244 S Gateway Place Jenks, OK 74037	Monthly mortgage payment	\$1,502.00	\$218,141.00	<input checked="" type="checkbox"/> Mortgage <input type="checkbox"/> Car <input type="checkbox"/> Credit Card <input type="checkbox"/> Loan Repayment <input type="checkbox"/> Suppliers or vendors <input type="checkbox"/> Other _____
Bank of Oklahoma PO Box 248817 Oklahoma City, OK 73126	April 2019 paid daughter's mortgage payment, no further payments made.	\$1,200.00	\$0.00	<input checked="" type="checkbox"/> Mortgage <input type="checkbox"/> Car <input type="checkbox"/> Credit Card <input type="checkbox"/> Loan Repayment <input type="checkbox"/> Suppliers or vendors <input checked="" type="checkbox"/> Other _____
Coldwell Banker 8990 South Sheridan Rd Tulsa, OK 74133	April 3, 2019	\$1,270.00	\$0.00	<input type="checkbox"/> Mortgage <input type="checkbox"/> Car <input type="checkbox"/> Credit Card <input type="checkbox"/> Loan Repayment <input type="checkbox"/> Suppliers or vendors <input checked="" type="checkbox"/> Other <u>Annual real estate fees</u>

7. **Within 1 year before you filed for bankruptcy, did you make a payment on a debt you owed anyone who was an insider?**

Insiders include your relatives; any general partners; relatives of any general partners; partnerships of which you are a general partner; corporations of which you are an officer, director, person in control, or owner of 20% or more of their voting securities; and any managing agent, including one for a business you operate as a sole proprietor. 11 U.S.C. § 101. Include payments for domestic support obligations, such as child support and alimony.

- ☒ No
☐ Yes. List all payments to an insider.

Insider's Name and Address	Dates of payment	Total amount paid	Amount you still owe	Reason for this payment
----------------------------	------------------	-------------------	----------------------	-------------------------

8. **Within 1 year before you filed for bankruptcy, did you make any payments or transfer any property on account of a debt that benefited an insider?**

Include payments on debts guaranteed or cosigned by an insider.

- ☒ No
☐ Yes. List all payments to an insider

Insider's Name and Address	Dates of payment	Total amount paid	Amount you still owe	Reason for this payment Include creditor's name
----------------------------	------------------	-------------------	----------------------	--

Part 4: Identify Legal Actions, Repossessions, and Foreclosures

9. **Within 1 year before you filed for bankruptcy, were you a party in any lawsuit, court action, or administrative proceeding?**

List all such matters, including personal injury cases, small claims actions, divorces, collection suits, paternity actions, support or custody modifications, and contract disputes.

- ☒ No
☐ Yes. Fill in the details.

Case title Case number	Nature of the case	Court or agency	Status of the case
---------------------------	--------------------	-----------------	--------------------

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

10. **Within 1 year before you filed for bankruptcy, was any of your property repossessed, foreclosed, garnished, attached, seized, or levied?**
 Check all that apply and fill in the details below.

- ☐ No. Go to line 11.
☐ Yes. Fill in the information below.

Creditor Name and Address	Describe the Property Explain what happened	Date	Value of the property
---------------------------	--	------	-----------------------

11. **Within 90 days before you filed for bankruptcy, did any creditor, including a bank or financial institution, set off any amounts from your accounts or refuse to make a payment because you owed a debt?**

- ☐ No
☐ Yes. Fill in the details.

Creditor Name and Address	Describe the action the creditor took	Date action was taken	Amount
---------------------------	---------------------------------------	-----------------------	--------

12. **Within 1 year before you filed for bankruptcy, was any of your property in the possession of an assignee for the benefit of creditors, a court-appointed receiver, a custodian, or another official?**

- ☐ No
☐ Yes

Part 5: List Certain Gifts and Contributions

13. **Within 2 years before you filed for bankruptcy, did you give any gifts with a total value of more than \$600 per person?**

- ☐ No
☐ Yes. Fill in the details for each gift.

Gifts with a total value of more than \$600 per person Person to Whom You Gave the Gift and Address:	Describe the gifts	Dates you gave the gifts	Value
---	--------------------	--------------------------	-------

14. **Within 2 years before you filed for bankruptcy, did you give any gifts or contributions with a total value of more than \$600 to any charity?**

- ☐ No
☐ Yes. Fill in the details for each gift or contribution.

Gifts or contributions to charities that total more than \$600 Charity's Name Address (Number, Street, City, State and ZIP Code)	Describe what you contributed	Dates you contributed	Value
--	-------------------------------	-----------------------	-------

Part 6: List Certain Losses

15. **Within 1 year before you filed for bankruptcy or since you filed for bankruptcy, did you lose anything because of theft, fire, other disaster, or gambling?**

- ☐ No
☐ Yes. Fill in the details.

Describe the property you lost and how the loss occurred	Describe any insurance coverage for the loss Include the amount that insurance has paid. List pending insurance claims on line 33 of <i>Schedule A/B: Property</i> .	Date of your loss	Value of property lost
--	---	-------------------	------------------------

Part 7: List Certain Payments or Transfers

16. **Within 1 year before you filed for bankruptcy, did you or anyone else acting on your behalf pay or transfer any property to anyone you consulted about seeking bankruptcy or preparing a bankruptcy petition?**

Include any attorneys, bankruptcy petition preparers, or credit counseling agencies for services required in your bankruptcy.

- ☐ No
☐ Yes. Fill in the details.

Person Who Was Paid Address Email or website address Person Who Made the Payment, if Not You	Description and value of any property transferred	Date payment or transfer was made	Amount of payment
---	---	-----------------------------------	-------------------

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Person Who Was Paid Address Email or website address Person Who Made the Payment, if Not You	Description and value of any property transferred	Date payment or transfer was made	Amount of payment
Brown Law Firm PC 715 S. Elgin Ave. Tulsa, OK 74120 ron@ronbrownlaw.com	Attorney Fees		\$1,500.00
Evergreen Financial Counseling PO Box 3801 Salem, OR 97302	Credit Counseling Certificate	01/28/2019	\$19.99

17. Within 1 year before you filed for bankruptcy, did you or anyone else acting on your behalf pay or transfer any property to anyone who promised to help you deal with your creditors or to make payments to your creditors?
 Do not include any payment or transfer that you listed on line 16.

- ☒ No
☐ Yes. Fill in the details.

Person Who Was Paid Address	Description and value of any property transferred	Date payment or transfer was made	Amount of payment
--------------------------------	---	-----------------------------------	-------------------

18. Within 2 years before you filed for bankruptcy, did you sell, trade, or otherwise transfer any property to anyone, other than property transferred in the ordinary course of your business or financial affairs?
 Include both outright transfers and transfers made as security (such as the granting of a security interest or mortgage on your property). Do not include gifts and transfers that you have already listed on this statement.

- ☐ No
☒ Yes. Fill in the details.

Person Who Received Transfer Address Person's relationship to you	Description and value of property transferred	Describe any property or payments received or debts paid in exchange	Date transfer was made
Ruth Galaz Ex-wife	Worldwide Subsidy, business that was transferred to ex-wife in January of 2018. Business was inactive, \$0 FMV. Collected royalties from TV programs and copyrights.	None	1/1/2018
Kelli Carpenter 1616 S Fir Ave Broken Arrow, OK 74012	Attorney services for daughter during lengthy divorce and custody battle, total fees to date are \$17,000	\$17,000	In installments from January 2018 to date

19. Within 10 years before you filed for bankruptcy, did you transfer any property to a self-settled trust or similar device of which you are a beneficiary? (These are often called *asset-protection devices*.)

- ☒ No
☐ Yes. Fill in the details.

Name of trust	Description and value of the property transferred	Date Transfer was made
---------------	---	------------------------

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known)

Part 8: List of Certain Financial Accounts, Instruments, Safe Deposit Boxes, and Storage Units

20. Within 1 year before you filed for bankruptcy, were any financial accounts or instruments held in your name, or for your benefit, closed, sold, moved, or transferred?
 Include checking, savings, money market, or other financial accounts; certificates of deposit; shares in banks, credit unions, brokerage houses, pension funds, cooperatives, associations, and other financial institutions.

☒ No

☐ Yes. Fill in the details.

Name of Financial Institution and Address (Number, Street, City, State and ZIP Code)	Last 4 digits of account number	Type of account or instrument	Date account was closed, sold, moved, or transferred	Last balance before closing or transfer
--	---------------------------------	-------------------------------	--	---

21. Do you now have, or did you have within 1 year before you filed for bankruptcy, any safe deposit box or other depository for securities, cash, or other valuables?

☒ No

☐ Yes. Fill in the details.

Name of Financial Institution Address (Number, Street, City, State and ZIP Code)	Who else had access to it? Address (Number, Street, City, State and ZIP Code)	Describe the contents	Do you still have it?
--	---	-----------------------	-----------------------

22. Have you stored property in a storage unit or place other than your home within 1 year before you filed for bankruptcy?

☒ No

☐ Yes. Fill in the details.

Name of Storage Facility Address (Number, Street, City, State and ZIP Code)	Who else has or had access to it? Address (Number, Street, City, State and ZIP Code)	Describe the contents	Do you still have it?
---	--	-----------------------	-----------------------

Part 9: Identify Property You Hold or Control for Someone Else

23. Do you hold or control any property that someone else owns? Include any property you borrowed from, are storing for, or hold in trust for someone.

☒ No

☐ Yes. Fill in the details.

Owner's Name Address (Number, Street, City, State and ZIP Code)	Where is the property? (Number, Street, City, State and ZIP Code)	Describe the property	Value
---	---	-----------------------	-------

Part 10: Give Details About Environmental Information

For the purpose of Part 10, the following definitions apply:

- ☒ **Environmental law** means any federal, state, or local statute or regulation concerning pollution, contamination, releases of hazardous or toxic substances, wastes, or material into the air, land, soil, surface water, groundwater, or other medium, including statutes or regulations controlling the cleanup of these substances, wastes, or material.
- ☒ **Site** means any location, facility, or property as defined under any environmental law, whether you now own, operate, or utilize it or used to own, operate, or utilize it, including disposal sites.
- ☒ **Hazardous material** means anything an environmental law defines as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, contaminant, or similar term.

Report all notices, releases, and proceedings that you know about, regardless of when they occurred.

24. Has any governmental unit notified you that you may be liable or potentially liable under or in violation of an environmental law?

☒ No

☐ Yes. Fill in the details.

Name of site Address (Number, Street, City, State and ZIP Code)	Governmental unit Address (Number, Street, City, State and ZIP Code)	Environmental law, if you know it	Date of notice
---	--	-----------------------------------	----------------

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number *(if known)*

25. Have you notified any governmental unit of any release of hazardous material?

- ☒ No
☐ Yes. Fill in the details.

Name of site Address (Number, Street, City, State and ZIP Code)	Governmental unit Address (Number, Street, City, State and ZIP Code)	Environmental law, if you know it	Date of notice
--	---	-----------------------------------	----------------

26. Have you been a party in any judicial or administrative proceeding under any environmental law? Include settlements and orders.

- ☒ No
☐ Yes. Fill in the details.

Case Title Case Number	Court or agency Name Address (Number, Street, City, State and ZIP Code)	Nature of the case	Status of the case
---------------------------	---	--------------------	--------------------

Part 11: Give Details About Your Business or Connections to Any Business

27. Within 4 years before you filed for bankruptcy, did you own a business or have any of the following connections to any business?

- ☒ A sole proprietor or self-employed in a trade, profession, or other activity, either full-time or part-time
☒ A member of a limited liability company (LLC) or limited liability partnership (LLP)
☐ A partner in a partnership
☐ An officer, director, or managing executive of a corporation
☐ An owner of at least 5% of the voting or equity securities of a corporation
☐ No. None of the above applies. Go to Part 12.

- ☒ Yes. Check all that apply above and fill in the details below for each business.

Business Name Address (Number, Street, City, State and ZIP Code)	Describe the nature of the business Name of accountant or bookkeeper	Employer Identification number Do not include Social Security number or ITIN. Dates business existed
Segundo Suenos LLC 508 Red Cloud Harker Heights, TX 76548	Royalty holding/collecting company Inactive since 2010, closed in 2018	EIN: 20-3530079 From-To 2005-2018
Sole Proprietorship 3901 West Vandalia Street Broken Arrow, OK 74012	Contract real estate sales through Coldwell Banker	EIN: From-To

28. Within 2 years before you filed for bankruptcy, did you give a financial statement to anyone about your business? Include all financial institutions, creditors, or other parties.

- ☒ No
☐ Yes. Fill in the details below.

Name Address (Number, Street, City, State and ZIP Code)	Date Issued
---	-------------

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Part 12: Sign Below

I have read the answers on this *Statement of Financial Affairs* and any attachments, and I declare under penalty of perjury that the answers are true and correct. I understand that making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$250,000, or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

/s/ Alfredo Carlos Paul Galaz

Alfredo Carlos Paul Galaz
 Signature of Debtor 1

Date May 24, 2019/s/ Lois May Galaz

Lois May Galaz
 Signature of Debtor 2

Date May 24, 2019

Did you attach additional pages to *Your Statement of Financial Affairs for Individuals Filing for Bankruptcy* (Official Form 107)?

☒ No☐ Yes

Did you pay or agree to pay someone who is not an attorney to help you fill out bankruptcy forms?

☒ No☐ Yes. Name of Person _____. Attach the *Bankruptcy Petition Preparer's Notice, Declaration, and Signature* (Official Form 119).

Fill in this information to identify your case:

Debtor 1 **Alfredo Carlos Paul Galaz**
 First Name Middle Name Last Name

Debtor 2 **Lois May Galaz**
 (Spouse if, filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: **NORTHERN DISTRICT OF OKLAHOMA**

Case number _____
 (if known)

☐ Check if this is an amended filing

Official Form 108

Statement of Intention for Individuals Filing Under Chapter 7

12/15

If you are an individual filing under chapter 7, you must fill out this form if:

- ☒ creditors have claims secured by your property, or
- ☒ you have leased personal property and the lease has not expired.

You must file this form with the court within 30 days after you file your bankruptcy petition or by the date set for the meeting of creditors, whichever is earlier, unless the court extends the time for cause. You must also send copies to the creditors and lessors you list on the form

If two married people are filing together in a joint case, both are equally responsible for supplying correct information. Both debtors must sign and date the form.

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known).

Part 1: List Your Creditors Who Have Secured Claims

1. For any creditors that you listed in Part 1 of Schedule D: Creditors Who Have Claims Secured by Property (Official Form 106D), fill in the information below.

Identify the creditor and the property that is collateral	What do you intend to do with the property that secures a debt?	Did you claim the property as exempt on Schedule C?
Creditor's name: Gateway Mortgage Group Description of property securing debt: 3901 W Vandalia St Broken Arrow, OK 74012 Tulsa County Legal: Subdivision: PECAN GROVE ESTATES LOT 29 BLOCK 1 Section: 17 Township: 18 Range: 14	<input type="checkbox"/> Surrender the property. <input type="checkbox"/> Retain the property and redeem it. <input checked="" type="checkbox"/> Retain the property and enter into a <i>Reaffirmation Agreement</i> . <input type="checkbox"/> Retain the property and [explain]: _____	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes

Part 2: List Your Unexpired Personal Property Leases

For any unexpired personal property lease that you listed in Schedule G: Executory Contracts and Unexpired Leases (Official Form 106G), fill in the information below. Do not list real estate leases. Unexpired leases are leases that are still in effect; the lease period has not yet ended. You may assume an unexpired personal property lease if the trustee does not assume it. 11 U.S.C. § 365(p)(2).

Describe your unexpired personal property leases	Will the lease be assumed?
Lessor's name: Description of leased Property:	<input type="checkbox"/> No <input type="checkbox"/> Yes
Lessor's name:	<input type="checkbox"/> No

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Description of leased Property: ☐ Yes

Lessor's name: ☐ No

Description of leased Property: ☐ Yes

Lessor's name: ☐ No

Description of leased Property: ☐ Yes

Lessor's name: ☐ No

Description of leased Property: ☐ Yes

Lessor's name: ☐ No

Description of leased Property: ☐ Yes

Lessor's name: ☐ No

Description of leased Property: ☐ Yes

Part 3: Sign Below

Under penalty of perjury, I declare that I have indicated my intention about any property of my estate that secures a debt and any personal property that is subject to an unexpired lease.

X /s/ Alfredo Carlos Paul Galaz
Alfredo Carlos Paul Galaz
 Signature of Debtor 1

X /s/ Lois May Galaz
Lois May Galaz
 Signature of Debtor 2

Date May 24, 2019

Date May 24, 2019

Notice Required by 11 U.S.C. § 342(b) for Individuals Filing for Bankruptcy (Form 2010)

This notice is for you if:

You are an individual filing for bankruptcy,
and

Your debts are primarily consumer debts.
Consumer debts are defined in 11 U.S.C.
§ 101(8) as "incurred by an individual
primarily for a personal, family, or
household purpose."

The types of bankruptcy that are available to individuals

Individuals who meet the qualifications may file under
one of four different chapters of Bankruptcy Code:

Chapter 7 - Liquidation

Chapter 11 - Reorganization

Chapter 12 - Voluntary repayment plan
for family farmers or
fishermen

Chapter 13 - Voluntary repayment plan
for individuals with regular
income

**You should have an attorney review your
decision to file for bankruptcy and the choice of
chapter.**

Chapter 7: Liquidation

	\$245	filing fee
	\$75	administrative fee
+	\$15	trustee surcharge
	\$335	total fee

Chapter 7 is for individuals who have financial difficulty preventing them from paying their debts and who are willing to allow their nonexempt property to be used to pay their creditors. The primary purpose of filing under chapter 7 is to have your debts discharged. The bankruptcy discharge relieves you after bankruptcy from having to pay many of your pre-bankruptcy debts. Exceptions exist for particular debts, and liens on property may still be enforced after discharge. For example, a creditor may have the right to foreclose a home mortgage or repossess an automobile.

However, if the court finds that you have committed certain kinds of improper conduct described in the Bankruptcy Code, the court may deny your discharge.

You should know that even if you file chapter 7 and you receive a discharge, some debts are not discharged under the law. Therefore, you may still be responsible to pay:

most taxes;

most student loans;

domestic support and property settlement obligations;

most fines, penalties, forfeitures, and criminal restitution obligations; and

certain debts that are not listed in your bankruptcy papers.

You may also be required to pay debts arising from:

fraud or theft;

fraud or defalcation while acting in breach of fiduciary capacity;

intentional injuries that you inflicted; and

death or personal injury caused by operating a motor vehicle, vessel, or aircraft while intoxicated from alcohol or drugs.

If your debts are primarily consumer debts, the court can dismiss your chapter 7 case if it finds that you have enough income to repay creditors a certain amount. You must file *Chapter 7 Statement of Your Current Monthly Income* (Official Form 122A-1) if you are an individual filing for bankruptcy under chapter 7. This form will determine your current monthly income and compare whether your income is more than the median income that applies in your state.

If your income is not above the median for your state, you will not have to complete the other chapter 7 form, the *Chapter 7 Means Test Calculation* (Official Form 122A-2).

If your income is above the median for your state, you must file a second form—the *Chapter 7 Means Test Calculation* (Official Form 122A-2). The calculations on the form—sometimes called the *Means Test*—deduct from your income living expenses and payments on certain debts to determine any amount available to pay unsecured creditors. If

your income is more than the median income for your state of residence and family size, depending on the results of the *Means Test*, the U.S. trustee, bankruptcy administrator, or creditors can file a motion to dismiss your case under § 707(b) of the Bankruptcy Code. If a motion is filed, the court will decide if your case should be dismissed. To avoid dismissal, you may choose to proceed under another chapter of the Bankruptcy Code.

If you are an individual filing for chapter 7 bankruptcy, the trustee may sell your property to pay your debts, subject to your right to exempt the property or a portion of the proceeds from the sale of the property. The property, and the proceeds from property that your bankruptcy trustee sells or liquidates that you are entitled to, is called *exempt property*. Exemptions may enable you to keep your home, a car, clothing, and household items or to receive some of the proceeds if the property is sold.

Exemptions are not automatic. To exempt property, you must list it on *Schedule C: The Property You Claim as Exempt* (Official Form 106C). If you do not list the property, the trustee may sell it and pay all of the proceeds to your creditors.

Chapter 11: Reorganization

	\$1,167	filing fee
+	\$550	administrative fee
	\$1,717	total fee

Chapter 11 is often used for reorganizing a business, but is also available to individuals. The provisions of chapter 11 are too complicated to summarize briefly.

Read These Important Warnings

Because bankruptcy can have serious long-term financial and legal consequences, including loss of your property, you should hire an attorney and carefully consider all of your options before you file. Only an attorney can give you legal advice about what can happen as a result of filing for bankruptcy and what your options are. If you do file for bankruptcy, an attorney can help you fill out the forms properly and protect you, your family, your home, and your possessions.

Although the law allows you to represent yourself in bankruptcy court, you should understand that many people find it difficult to represent themselves successfully. The rules are technical, and a mistake or inaction may harm you. If you file without an attorney, you are still responsible for knowing and following all of the legal requirements.

You should not file for bankruptcy if you are not eligible to file or if you do not intend to file the necessary documents.

Bankruptcy fraud is a serious crime; you could be fined and imprisoned if you commit fraud in your bankruptcy case. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$250,000, or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Chapter 12: Repayment plan for family farmers or fishermen

	\$200	filing fee
+	\$75	administrative fee
	\$275	total fee

Similar to chapter 13, chapter 12 permits family farmers and fishermen to repay their debts over a period of time using future earnings and to discharge some debts that are not paid.

Chapter 13: Repayment plan for individuals with regular income

	\$235	filing fee
+	\$75	administrative fee
	\$310	total fee

Chapter 13 is for individuals who have regular income and would like to pay all or part of their debts in installments over a period of time and to discharge some debts that are not paid. You are eligible for chapter 13 only if your debts are not more than certain dollar amounts set forth in 11 U.S.C. § 109.

Under chapter 13, you must file with the court a plan to repay your creditors all or part of the money that you owe them, usually using your future earnings. If the court approves your plan, the court will allow you to repay your debts, as adjusted by the plan, within 3 years or 5 years, depending on your income and other factors.

After you make all the payments under your plan, many of your debts are discharged. The debts that are not discharged and that you may still be responsible to pay include:

- domestic support obligations,
- most student loans,
- certain taxes,
- debts for fraud or theft,
- debts for fraud or defalcation while acting in a fiduciary capacity,
- most criminal fines and restitution obligations,
- certain debts that are not listed in your bankruptcy papers,
- certain debts for acts that caused death or personal injury, and
- certain long-term secured debts.

Warning: File Your Forms on Time

Section 521(a)(1) of the Bankruptcy Code requires that you promptly file detailed information about your creditors, assets, liabilities, income, expenses and general financial condition. The court may dismiss your bankruptcy case if you do not file this information within the deadlines set by the Bankruptcy Code, the Bankruptcy Rules, and the local rules of the court.

For more information about the documents and their deadlines, go to:
http://www.uscourts.gov/bkforms/bankruptcy_forms.html#procedure.

Bankruptcy crimes have serious consequences

If you knowingly and fraudulently conceal assets or make a false oath or statement under penalty of perjury—either orally or in writing—in connection with a bankruptcy case, you may be fined, imprisoned, or both.

All information you supply in connection with a bankruptcy case is subject to examination by the Attorney General acting through the Office of the U.S. Trustee, the Office of the U.S. Attorney, and other offices and employees of the U.S. Department of Justice.

Make sure the court has your mailing address

The bankruptcy court sends notices to the mailing address you list on *Voluntary Petition for Individuals Filing for Bankruptcy* (Official Form 101). To ensure that you receive information about your case, Bankruptcy Rule 4002 requires that you notify the court of any changes in your address.

A married couple may file a bankruptcy case together—called a *joint case*. If you file a joint case and each spouse lists the same mailing address on the bankruptcy petition, the bankruptcy court generally will mail you and your spouse one copy of each notice, unless you file a statement with the court asking that each spouse receive separate copies.

Understand which services you could receive from credit counseling agencies

The law generally requires that you receive a credit counseling briefing from an approved credit counseling agency. 11 U.S.C. § 109(h). If you are filing a joint case, both spouses must receive the briefing. With limited exceptions, you must receive it within the 180 days **before** you file your bankruptcy petition. This briefing is usually conducted by telephone or on the Internet.

In addition, after filing a bankruptcy case, you generally must complete a financial management instructional course before you can receive a discharge. If you are filing a joint case, both spouses must complete the course.

You can obtain the list of agencies approved to provide both the briefing and the instructional course from:
http://justice.gov/ust/eo/hapcpa/ccde/cc_approved.html.

In Alabama and North Carolina, go to:
<http://www.uscourts.gov/FederalCourts/Bankruptcy/BankruptcyResources/ApprovedCreditAndDebtCounselors.aspx>.

If you do not have access to a computer, the clerk of the bankruptcy court may be able to help you obtain the list.

B2030 (Form 2030) (12/15)

United States Bankruptcy Court
Northern District of Oklahoma

In re **Alfredo Carlos Paul Galaz**
Lois May Galaz

Debtor(s)

Case No.

Chapter

7

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)

1. Pursuant to 11 U.S.C. § 329(a) and Fed. Bankr. P. 2016(b), I certify that I am the attorney for the above named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

For legal services, I have agreed to accept	\$	1,500.00
Prior to the filing of this statement I have received	\$	1,500.00
Balance Due	\$	0.00

2. The source of the compensation paid to me was:

☒ Debtor ☐ Other (specify):

3. The source of compensation to be paid to me is:

☒ Debtor ☐ Other (specify):

4. ☒ I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

☐ I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation is attached.

5. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
- Preparation and filing of any petition, schedules, statement of affairs and plan which may be required;
- Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;
- [Other provisions as needed]

Exemption planning; preparation and filing of reaffirmation agreements and applications as needed; meeting of creditors. In addition to portion of fee paid as stated herein, the court's filing fee and a credit report fee for each party has been paid by client(s).

Also, debtor have been advised they have no legal obligation to pay any outstanding attorney fees owing at time of bankruptcy filing and that payments post-petition are strictly voluntary.

Client may use the services of 722redemption.com to providing funding for redemptions of vehicles; debtor will borrow \$700 from 722redemption.com to pay attorney fees for attorney fees to obtain redemption.

6. By agreement with the debtor(s), the above-disclosed fee does not include the following service:

By agreement with the debtor(s), the above-disclosed fee does not include the following services: Representation of the debtors in any dischargeability actions, judicial lien avoidances, relief from stay actions, 2004 exams or any other adversary or contested matter/proceeding. In Chapter 13 Bankruptcy Cases, attorney time, legal assistant time, and expenses will be billed against the file at the rate of \$275.00 per hour for attorney time, \$75.00 per hour for legal assistant time (or the firm's current billing rates), and actual expenses. If such time and expenses exceed the amount stated above, an application to the Court may be made for additional fees and expenses to be paid through the Chapter 13 Plan or by the Debtor(s) as the Court orders may provide.

In re Alfredo Carlos Paul Galaz
Lois May Galaz Debtor(s) Case No. _____

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)
(Continuation Sheet)

CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

May 24, 2019

Date

/s/ Ron D. Brown OBA

Ron D. Brown OBA 16352

Signature of Attorney

Brown Law Firm PC

715 S. Elgin Ave.

Tulsa, OK 74120

918-585-9500 Fax: 866-552-4874

ron@ronbrownlaw.com

Name of law firm

Revised 02/2012

**United States Bankruptcy Court
Northern District of Oklahoma**

In re **Alfredo Carlos Paul Galaz
Lois May Galaz**

Debtor(s)

Case No.

Chapter

7

VERIFICATION AS TO OFFICIAL CREDITOR LIST

☒ Original
☐ Amendment
☐ Add ☐ Delete

I hereby certify under penalty of perjury that the master mailing list of creditors submitted either on the Creditor List Submission application, or uploaded to the Electronic Case Filing System is a true, correct and complete listing to the best of my knowledge.

I further acknowledge that (1) the accuracy and completeness in preparing the creditor listing are the shared responsibility of the debtor and the debtor's attorney, (2) the court will rely on the creditor listing for all mailings, and (3) that the various schedules and statements required by the Bankruptcy Rules are not used for mailing purposes.

If this filing is an amendment to the creditor list, indicate only the number of creditors being added or to be deleted at this time. (For verification purposes, attach a list of the creditors being submitted, uploaded, or to be deleted.)

7 # of Creditors (or if amended, # of creditors added)

Method of submission:

- a) X uploaded to Electronic Case Filing System; or
 b) _____ Creditor List Submission application (to be used by Pro Se filers, found on the Court's website at www.oknb.uscourts.gov, or available in the Clerk's Office)

_____ # of Creditors (on attached list) to be deleted

/s/ Alfredo Carlos Paul Galaz

Debtor Signature

Address:(if not represented by an attorney)

Phone:(if not represented by an attorney)

/s/ Lois May Galaz

Joint Debtor Signature

Address:(if not represented by an attorney)

Phone:(if not represented by an attorney)

/s/ Ron D. Brown OBA

Attorney Signature

Ron D. Brown OBA 16352

Brown Law Firm PC

715 S. Elgin Ave.

Tulsa, OK 74120-0000

918-585-9500

866-552-4874

ron@ronbrownlaw.com

Date: **May 24, 2019**

[Check if applicable]

____ Creditors with foreign addresses included

Alert 360
3158 S. 108th Street Suite 220
Tulsa, OK 74146

Bank Of America
4909 Savarese Circle
Fl1-908-01-50
Tampa, FL 33634

Capital One
Attn: Bankruptcy
Po Box 30285
Salt Lake City, UT 84130

Cox Communications
PO Box 21039
Tulsa, OK 74121-1039

Credit Card Services
Attn: Bankruptcy Dept
P. O. Box 7054
Bridgeport, CT 06601

Gateway Mortgage Group
Attn: Bankruptcy Dept.
244 S Gateway Place
Jenks, OK 74037

Pentagon Federal Credit Union
Po Box 1432
Alexandria, VA 22313

FORM 1007-1F (10/07)

United States Bankruptcy Court
Northern District of Oklahoma

In re **Alfredo Carlos Paul Galaz**
Lois May Galaz

Debtor(s)

Case No.

Chapter

7

PAYMENT ADVICES CERTIFICATION

(NOTE: A separate form must be filed by **each** debtor in a joint case)

Pursuant to 11 U.S.C. § 521(a)(1)(B)(iv), a debtor shall file copies of *all* payment advices or other evidence of payment (such as paycheck stubs, direct deposit statements, employer's statement of hours and earnings) received from the debtor's employer *within 60 days* before the date the debtor filed his/her bankruptcy case (the "petition date").*

I, **Lois May Galaz** hereby state as follows:

(select one)

- ☐ I have attached hereto, or previously filed with the Court, copies of all payment advices or other evidence of payment received from my employer(s) within 60 days before the petition date.

Number of Employers: _____ Number of Payment Advices received: _____
 Number of Payment Advices attached: _____
 Period Covered: _____

(If period covered is less than 60 days, attach an explanation.)

If the attached payment advices do not cover the entire 60-day period, describe any "other evidence of payment" that you intend to rely upon. _____.

- ☐ I received payment advices from an employer(s) during the 60 days before the petition date but have not yet located or obtained copies of all of the payment advices. I understand that if I do not file all payment advices or other evidence of payment **within 45 days** from the petition date, my bankruptcy case may be **dismissed**.

Number of Employers: _____ Number of Payment Advices attached: _____
 Period Covered: _____
 Number of missing Payment Advices: _____ Dates of missing Payment Advices: _____

- ☒ I did not receive any payment advices or other evidence of payment from any employer at any point during the 60 days before the petition date. (If you were employed, attach an explanation of why you did not receive any payment advices from your employer.)

I declare under penalty of perjury that the foregoing statement is true and correct to the best of my knowledge, information and belief.

Date: **May 24, 2019**

/s/ Lois May Galaz

(Signature of Debtor)

Print name: **Lois May Galaz**

* In order to protect the debtor's privacy, all but the last four digits of the Debtor's social security number and financial account number should be redacted from any payment advice. References to dates of birth should contain only the year and names of any minors should be redacted or include only initials.



Office of the Secretary of State

CERTIFICATE OF FILING OF

WORLDWIDE SUBSIDY GROUP LLC

File Number: 704877122

Assumed Name:

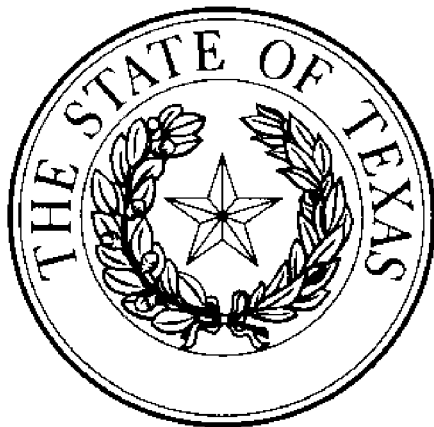
Multigroup Claimants

The undersigned, as Secretary of State of Texas, hereby certifies that the assumed name certificate for the above named entity has been received in this office and filed as provided by law on the date shown below.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law hereby issues this Certificate of Filing.

Dated: 01/06/2020

Effective: 01/06/2020



A handwritten signature in black ink, appearing to read "Ruth R. Hughs".

Ruth R. Hughs
Secretary of State



Office of the Secretary of State
Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697
(Form 503)

Filed in the Office of the
Secretary of State of Texas
Filing #: 704877122 1/6/2020
Document #: 935240730002
Image Generated Electronically
for Web Filing

**ASSUMED NAME CERTIFICATE
FOR FILING WITH THE SECRETARY OF STATE**

1. The assumed name under which the business or professional service is or is to be conducted or rendered is:

Multigroup Claimants

2. The name of the entity as stated in its certificate of formation, application for registration, or comparable document is:

WORLDWIDE SUBSIDY GROUP LLC

3. The state, country, or other jurisdiction under the laws of which it was incorporated, organized or associated is **TEXAS**

4. The period, not to exceed 10 years, during which the assumed name will be used is :

01/05/2030

5. The entity is a : **Domestic Limited Liability Company (LLC)**

6. The entity's principal office address is:

132 Perry Ct., San Antonio, TX, USA 78209

7. The county or counties where business or professional services are being or are to be conducted or rendered under such assumed name are:

ALL COUNTIES

8. The undersigned, if acting in the capacity of an attorney-in-fact of the entity, certifies that the entity has duly authorized the attorney-in-fact in writing to execute this document. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

WORLDWIDE SUBSIDY GROUP LLC

Name of the entity

By: **Ruth Galaz**

Signature of officer, general partner, manager,
representative or attorney-in-fact of the entity

FILING OFFICE COPY

Before the
COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In the Matter of)
)
Distribution of)
Cable Royalty Funds)
)
In the Matter of)
)
Distribution of)
Satellite Royalty Funds)

CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-2013)

**ALFRED GALAZ DECLARATION IN SUPPORT OF
MULTIGROUP CLAIMANTS' OPPOSITION TO SETTLING
DEVOTIONAL CLAIMANTS' MOTION FOR ORDER TO SHOW CAUSE.**

I, ALFRED GALAZ, declare and state as follows:

1. I submit this declaration in support of Multigroup Claimants'

Opposition to Settling Devotional Claimants' Motion for Order to Show Cause.

The following facts are within my personal knowledge, and if called upon I could and would testify competently thereto.

2. I have read the Settling Devotional Claimants' ("SDC") *Motion for Order to Show Cause*, and take extraordinary offense to it. The SDC have asserted that the Certificate of Ownership to Multigroup Claimants, filed by me in Bell County, Texas in January 2015, and executed by me before a notary public, may be a "forgery." It is not a forgery, nor has any person ever previously suggested that

it might be the case. In order to further clarify such fact, I am executing this declaration before a notary public, and the Copyright Royalty Judges may easily make comparison between the signature on the Certificate of Ownership and this document.

3. I understand that the SDC has also alleged that statements set forth in a bankruptcy petition filed in May 2019 are inconsistent with statements previously made to the Copyright Royalty Judges. This is also incorrect. Specifically, the SDC has asserted that my failure to identify "Multigroup Claimants" in that petition was inconsistent with my prior use of the name "Multigroup Claimants" as an assumed name. However, I was specifically advised by my bankruptcy legal counsel that because Multigroup Claimants was a sole proprietorship that had never been assigned an Employer Identification Number, there was no obligation or expectation to report "Multigroup Claimants" in my bankruptcy petition.

4. Notwithstanding, even if I had been required to identify "Multigroup Claimants" in my bankruptcy petition, I had already transferred all interests held by it into Worldwide Subsidy Group, LLC, which adopted "Multigroup Claimants" as an assumed name. At the time of such transfer, I owned 99% of Worldwide Subsidy Group, LLC, and effective January 1, 2018 transferred all of my interest in that entity.

5. The SDC motion makes reference to an unattached "Public Information Report" in the State of Texas for Worldwide Subsidy Group, LLC. According to the SDC, "Alfred Galaz appears to have signed" that document, which document characterizes me as a co-owner of Worldwide Subsidy Group, LLC during 2018. Because the SDC failed to attach that document, it was procured by WSG, and I have now had an opportunity to review it. Contrary to the assertion of the SDC, my signature does not appear on such document, nor the "signature" of any person. Moreover, I was never an owner of Worldwide Subsidy Group, LLC during 2018. In fact, I had never previously seen such document, was not aware of such document, and am confident that no member of Worldwide Subsidy Group, LLC prepared or filed such document.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed this 9th day of January, 2020, at Tulsa, Oklahoma.


Alfred Galaz

Acknowledgement - Oklahoma Individual Acknowledgement

State of OKLAHOMA

County of TULSA

On this 9th day of January, in the year 20 20 before me, LAYNE TRUMAN
personally appeared, ALFRED GALAZ. Personally known or proved to me based
on satisfactory evidence to be the person(s) whose name is/are subscribed to the within
instrument and acknowledged to me for the purpose stated therein. I witness my hand and official
seal.




Notary Signature

My Commission Expires: 01/23/2023

My Commission # 19000805

Description of Attached Document

Title or Type: ALFRED GALAZ MOTION TO SHOW CAUSE

Document Date: 1/9/2020

Number of Pages: 3

**Before the
COPYRIGHT ROYALTY JUDGES
The Library of Congress**

In re

**DISTRIBUTION OF CABLE
ROYALTY FUNDS**

**DISTRIBUTION OF SATELLITE
ROYALTY FUNDS**

**CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-13)**

**DECLARATION OF EVA-MARIE NYE IN SUPPORT OF SETTling DEVOTIONAL
CLAIMANTS' REPLY IN SUPPORT OF MOTION FOR ORDER TO SHOW CAUSE
WHY MULTIGROUP CLAIMANTS SHOULD NOT BE DISQUALIFIED AS AN
AGENT TO RECEIVE FUNDS ON BEHALF OF CLAIMANTS**

I, Eva-Marie Nye, hereby state and declare as follows:

1. I am the Director of Research Services for the law firm Pillsbury Winthrop Shaw Pittman LLP.
2. In my prior declaration, I testified that "[t]he Public Information Report for the Texas company [Worldwide Subsidy Group LLC] shows that it is an active company and that its 'partners' are Alfred Galaz and Ruth Galaz. Alfred Galaz appears to have signed the most recent filing, dated June 23, 2018."
3. I have reviewed Alfred Galaz's Declaration in Support of Multigroup Claimants' Opposition to Settling Devotional Claimants Motion for Order to Show Cause in which he testifies:

Contrary to the assertion of the SDC, my signature does not appear on such document [the Public Information Report], nor the 'signature' of any person. Moreover, I was never an owner of Worldwide Subsidy Group, LLC during 2018. In fact, I had never previously seen such document, was not aware of such document, and am confident that no member of Worldwide Subsidy Group, LLC prepared or filed such document.

4. I have also reviewed Multigroup Claimants' Opposition to Settling Devotional Claimants Motion for Order to Show Cause, in which Multigroup Claimants states:

WSG can only speculate regarding how such document came into existence (presumably the product of some automatic filing), but is continuing to investigate.

5. Attached hereto as Exhibits A, B, and C, respectively, are Worldwide Subsidy Group, LLC's three most recent Public Information Reports for 2016, 2017, and 2018, available online through the website of the Texas Comptroller of Public Accounts. No Public Information Report appears for 2019.

6. Each form is clearly marked with a notice to **"Please sign below! This report must be signed to satisfy tax requirements."** At the bottom of each form, there is a box requiring the signatory to **"sign here,"** beneath a box that states: "I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution."


7. I have examined the Public Information Report form that is available for filers to download and fill out. There is no option to populate the signature box of the form automatically.

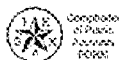
8. Each of the Public Information Reports for 2016 and 2017 lists Denise Vernon as a "Member" and Brian Boydston in an unstated capacity. The Public Information Report for 2016 contains a typewritten signature that reads "DENISE G VER DENISE G VERNON" dated September 13, 2016. The Public Information Report for 2017 contains a handwritten signature that appears to read "Denise Vernon" dated September 11, 2017.

9. The Public Information Report for 2018 contains information that differs from the two previous filings, listing Alfred Galaz and Ruth Galaz, each with the title of “Partner.” The Public Information Report for 2018 contains a typewritten signature that reads “Alfred Galaz,” with the title of “Member,” dated June 23, 2018. No other Public Information Report online for Worldwide Subsidy Group, LLC lists Alfred Galaz as a partner or member, or contains Alfred Galaz’s signature.

10. A page attached to the Public Information Report for 2018 appears to show that it was transmitted by ProSeries, a brand of desktop tax preparation software hosted by Intuit, Inc., the same company that owns other well-known desktop accounting applications like Quickbooks and TurboTax.

I hereby declare under penalty of perjury that the foregoing is true and correct. Executed January 14, 2020, in Washington, District of Columbia.


Eva-Marie Nye

05-102
(Rev. 9-15/33)**Texas Franchise Tax Public Information Report**To be filed by Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP),
Professional Associations (PA) and Financial Institutions

■ Ycode 13196 Franchise

■ Taxpayer number

■ Report year

1 7 4 2 9 1 4 3 7 0 8

2 0 1 6

You have certain rights under Chapter 552 and 559,
Government Code, to review, request and correct information
we have on file about you. Contact us at 1-800-252-1381.

Taxpayer name WORLDWIDE SUBSIDY GROUP LLC		<input checked="" type="checkbox"/> Blacken circle if the mailing address has changed.	
Mailing address 132 PERRY CT		Secretary of State (SOS) file number or Comptroller file number	
City SAN ANTONIO	State TX	ZIP code plus 4 78209	0704877122

☐ Blacken circle if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office 132 PERRY CT, SAN ANTONIO, TX, 78209
Principal place of business 132 PERRY CT, SAN ANTONIO, TX, 78209

You must report officer, director, member, general partner and manager information as of the date you complete this report.



100000000015

*Please sign below!***This report must be signed to satisfy franchise tax requirements.****SECTION A** Name, title and mailing address of each officer, director, member, general partner or manager.

Name DENISE VERNON	Title MEMBER	Director <input type="checkbox"/> YES	Term expiration m m d d y y <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Mailing address PO BOX 1357	City HELOTES	State TX	ZIP Code 78023
Name BRIAN BOYDSTON	Title	Director <input type="checkbox"/> YES	Term expiration m m d d y y <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Mailing address 1000 WILSHIRE BLVD 600	City LOS ANGELES	State CA	ZIP Code 90017
Name	Title	Director <input type="checkbox"/> YES	Term expiration m m d d y y <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Mailing address	City	State	ZIP Code

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution NONE	State of formation	Texas SOS file number, if any	Percentage of ownership
Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

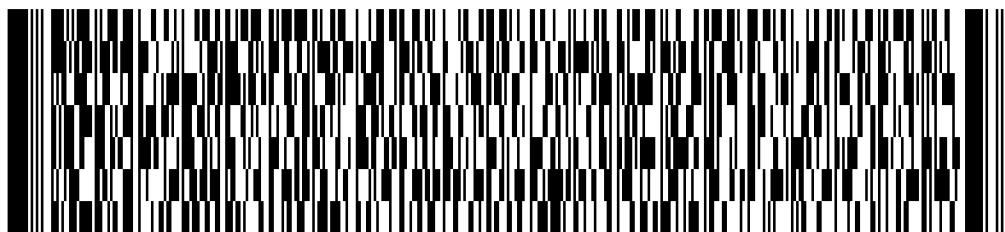
Name of owned (parent) corporation, LLC, LP, PA or financial institution NONE	State of formation	Texas SOS file number, if any	Percentage of ownership
---	--------------------	-------------------------------	-------------------------

Registered agent and registered office currently on file (see instructions if you need to make changes)		You must make a filing with the Secretary of State to change registered agent, registered office or general partner information.	
Agent:			
Office:	City	State	ZIP Code

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution.

sign here DENISE G VER DENISE G VERNON	Title MEMBER	Date 09/13/2016	Area code and phone number () -
--	------------------------	---------------------------	-------------------------------------

Texas Comptroller Official Use Only

VE/DE	<input type="checkbox"/>	PIR IND	<input type="checkbox"/>
-------	--------------------------	---------	--------------------------



TX 2017 05-102
Ver. 8.0 (Rev.9-15/33)

Texas Franchise Tax Public Information Report
To be filed by Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP), Professional Associations (PA) and Financial Institutions

■ Tcode 13196

■ Taxpayer number 742914370		■ Report year 2017		<i>You have certain rights under Chapter 552 and 559, Government Code, to review, request and correct information we have on file about you. Contact us at 1-800-252-1381.</i>	
Taxpayer name WORLDWIDE SUBSIDY GROUP LLC				<input type="checkbox"/> Check box if the mailing address has changed.	
Mailing address 132 PERRY CT				Secretary of State (SOS) file number or Comptroller file number	
City SAN ANTONIO		State TX		ZIP code plus 4 78209	
				0704877122	

☐ Check box if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office 132 PERRY CT	SAN ANTONIO	TX 78209
Principal place of business 132 PERRY CT	SAN ANTONIO	TX 78209



You must report officer, director, member, general partner and manager information as of the date you complete this report.

Please sign below! This report must be signed to satisfy franchise tax requirements.

0742914370017

SECTION A Name, title and mailing address of each officer, director, member, general partner or manager.

Name DENISE VERNON	Title MEMBER	Director <input type="checkbox"/> YES	Term expiration m m d d y y
Mailing address PO BOX 1357	City HELOTES	State TX	ZIP Code 78023
Name BRIAN BOYDSTON	Title	Director <input type="checkbox"/> YES	Term expiration m m d d y y
Mailing address 1000 WILSHIRE BLVD #600	City LOS ANGELES	State CA	ZIP Code 90017
Name	Title	Director <input type="checkbox"/> YES	Term expiration m m d d y y
Mailing address	City	State	ZIP Code

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution NONE	State of formation	Texas SOS file number, if any	Percentage of ownership
Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

Name of owned (parent) corporation, LLC, LP, PA or financial institution NONE	State of formation	Texas SOS file number, if any	Percentage of ownership
---	--------------------	-------------------------------	-------------------------

Registered agent and registered office currently on file (see instructions if you need to make changes)				<i>You must make a filing with the Secretary of State to change registered agent, registered office or general partner information.</i>			
Agent:		City		State		ZIP Code	
Office:							

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution.			
sign here ▶ <i>Denise Vernon</i>	Title <i>Member</i>	Date 09/11/2017	Area code and phone number 210-294-4232

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	PIR IND	<input type="checkbox"/>
-------	--------------------------	---------	--------------------------



05-102
(Rev.9-15/33)

Texas Franchise Tax Public Information Report

To be filed by Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP),
Professional Associations (PA) and Financial Institutions

■ Tcode 13196 Franchise

■ Taxpayer number

1 7 4 2 9 1 4 3 7 0 8

■ Report year

2 0 1 8

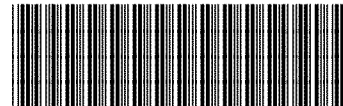
You have certain rights under Chapter 552 and 559,
Government Code, to review, request and correct information
we have on file about you. Contact us at 1-800-252-1381.

Taxpayer name Worldwide Subsidy Group LLC		<input checked="" type="checkbox"/> Blacken circle if the mailing address has changed.	
Mailing address 132 Perry Court		Secretary of State (SOS) file number or Comptroller file number 0704877122	
City San Antonio	State TX	ZIP code plus 4 78209	

● Blacken circle if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office 132 Perry Court, San Antonio, TX, 78209
Principal place of business 132 Perry Court, San Antonio, TX, 78209

You must report officer, director, member, general partner and manager information as of the date you complete this report.



1000000000015

Please sign below!**This report must be signed to satisfy franchise tax requirements.****SECTION A** Name, title and mailing address of each officer, director, member, general partner or manager.

Name Alfred Galaz	Title Partner	Director <input checked="" type="radio"/> YES	Term expiration	m 1	m 2	d 3	d 1	y 1	y 8
Mailing address 3901 West Vandalia St	City Broken Arrow	State OK	ZIP Code 74012						
Name Ruth Galaz	Title Partner	Director <input checked="" type="radio"/> YES	Term expiration	m 1	m 2	d 3	d 1	y 1	y 8
Mailing address 132 Perry Court	City San Antonio	State TX	ZIP Code 78209						
Name	Title	Director <input type="radio"/> YES	Term expiration	m	m	d	d	y	y
Mailing address	City	State	ZIP Code						

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution None	State of formation	Texas SOS file number, if any	Percentage of ownership
Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

Name of owned (parent) corporation, LLC, LP, PA or financial institution None	State of formation	Texas SOS file number, if any	Percentage of ownership
---	--------------------	-------------------------------	-------------------------

Registered agent and registered office currently on file (see instructions if you need to make changes)

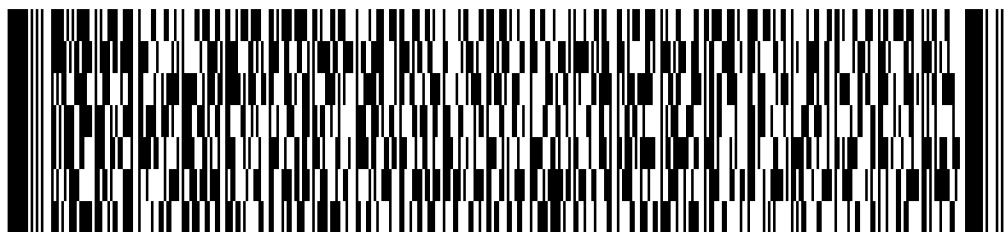
Agent: **Ruth Galaz**You must make a filing with the Secretary of State to change registered
agent, registered office or general partner information.

Office: 132 Perry Court	City San Antonio	State TX	ZIP Code 78209
--------------------------------	----------------------------	--------------------	--------------------------

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional
sheets for Sections A, B and C, if necessary. The information will be available for public inspection.I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has
been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation,
LLC, LP, PA or financial institution.

sign here	Alfred Galaz	Title Member	Date 06/23/2018	Area code and phone number (210) 789 - 9084
--------------	---------------------	------------------------	---------------------------	---

Texas Comptroller Official Use Only



VE/DE	<input type="radio"/>	PIR IND	<input type="radio"/>
-------	-----------------------	---------	-----------------------



TRANSMITTER ID = PROSERIES

TLN = 00041908709

Before the
COPYRIGHT ROYALTY JUDGES
The Library of Congress

In re

**DISTRIBUTION OF CABLE
ROYALTY FUNDS**

**DISTRIBUTION OF SATELLITE
ROYALTY FUNDS**

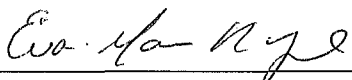
**CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-13)**

**DECLARATION OF EVA-MARIE NYE IN SUPPORT OF SETTLING DEVOTIONAL
CLAIMANTS' FURTHER BRIEFING IN RESPONSE TO MULTIGROUP
CLAIMANTS' RESPONSE TO ORDER TO SHOW CAUSE**

I, Eva-Marie Nye, hereby state and declare as follows:

1. I am the Director of Research Services for the law firm Pillsbury Winthrop Shaw Pittman LLP.
2. At the request of counsel for the Settling Devotional Claimants, I conducted a search for Ryan Galaz's name in state incorporation records. The only business I found that appeared to be associated with Ryan Galaz is RTG, LLC, which is organized in Florida. Attached hereto is a true and correct copy of the records relating to RTG, LLC that are publicly available online through the Division of Corporations of the Office of the Secretary of State of Florida.

I hereby declare under penalty of perjury that the foregoing is true and correct. Executed March 11, 2020, in Washington, District of Columbia.



Eva-Marie Nye



[Department of State](#) / [Division of Corporations](#) / [Search Records](#) / [Detail By Document Number](#) /

Detail by Officer/Registered Agent Name

Florida Limited Liability Company
RTG, LLC

Filing Information

Document Number	L16000181862
FEI/EIN Number	81-5086026
Date Filed	09/19/2016
Effective Date	09/12/2016
State	FL
Status	ACTIVE
Last Event	LC STMNT OF RA/RO CHG
Event Date Filed	12/17/2018
Event Effective Date	NONE

Principal Address

2421 LAKE PANCOAST DR., #6A
MIAMI BEACH, FL 33140

Mailing Address

2421 LAKE PANCOAST DR., #6A
MIAMI BEACH, FL 33140

Registered Agent Name & Address

PARACORP INCORPORATED
155 OFFICE PLAZA DRIVE
1ST FLOOR
TALLAHASSEE, FL 32301

Name Changed: 12/17/2018

Address Changed: 12/17/2018

Authorized Person(s) Detail

Name & Address

Title AMBR

GALAZ, RYAN
2421 LAKE PANCOAST DR., #6A
MIAMI BEACH, FL 33140

Annual Reports

App. 147

Report Year	Filed Date
2018	03/28/2018
2019	02/05/2019
2020	01/21/2020

Document Images

[01/21/2020 -- ANNUAL REPORT](#)

View image in PDF format

[02/05/2019 -- ANNUAL REPORT](#)

View image in PDF format

[12/17/2018 -- CORLCRACHG](#)

View image in PDF format

[03/28/2018 -- ANNUAL REPORT](#)

View image in PDF format

[02/06/2017 -- ANNUAL REPORT](#)

View image in PDF format

[09/19/2016 -- Florida Limited Liability](#)

View image in PDF format

L16000181862

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

☐ PICK-UP

☐ WAIT

☐ MAIL

(Business Entity Name)

(Document Number)

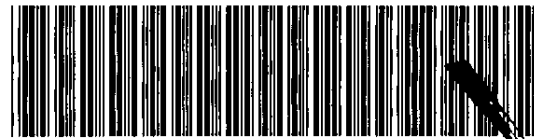
Certified Copies _____ Certificates of Status _____

Special Instructions to Filing Officer:

Office Use Only

SEP 29 2016

T. SCOTT



800290089458

09/19/16--01045--001 **125.00

16 SEP 19 AM 11:50

COVER LETTER

**TO: Registration Section
Division of Corporations**

SUBJECT: RTG LLC
Name of Limited Liability Company

The enclosed Articles of Organization and fee(s) are submitted for filing.

Please return all correspondence concerning this matter to the following:

Evelyn Badihian

Name of Person

Firm/Company

2421 Lake Pancoast Dr., #6A

Address

Miami Beach, FL 33140

City/State and Zip Code

galazryan@gmail.com

E-mail address: (to be used for future annual report notification)

For further information concerning this matter, please call:

Ryan Galaz

210

848-7274

at ()

Name of Person

Area Code

Daytime Telephone Number

Enclosed is a check for the following amount:



\$125.00 Filing Fee



\$130.00 Filing Fee &
Certificate of Status



\$155.00 Filing Fee &
Certified Copy
(additional copy is enclosed)



\$160.00 Filing Fee,
Certificate of Status &
Certified Copy
(additional copy is enclosed)

Mailing Address

New Filing Section
Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314

Street Address

New Filing Section
Division of Corporations
Clifton Building
2661 Executive Center Circle
Tallahassee, FL 32301

ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY

ARTICLE I - Name:

The name of the Limited Liability Company is:

RTG, LLC

(Must end with the words "Limited Liability Company," "L.L.C.," or "LLC.")

ARTICLE II - Address:

The mailing address and street address of the principal office of the Limited Liability Company is:

Principal Office Address:

2421 Lake Pancoast Dr.

#6A

Miami Beach, FL 33140

Mailing Address:

2421 Lake Pancoast Dr.

#6A

Miami Beach, FL 33140

ARTICLE III - Registered Agent, Registered Office, & Registered Agent's Signature:

(The Limited Liability Company cannot serve as its own Registered Agent. You must designate an individual or another business entity with an active Florida registration.)

The name and the Florida street address of the registered agent are:

Evelyn Badihian

Name

2421 Lake Pancoast Dr., #6A

Florida street address (P.O. Box **NOT** acceptable)

Miami Beach

FL

33140

City

State

Zip

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent as provided for in Chapter 605, F.S..


Registered Agent's Signature (REQUIRED)

(CONTINUED)

Page 1 of 2

10 SEP 19 AM 11:50

ARTICLE IV-

The name and address of each person authorized to manage and control the Limited Liability Company:

Title:

"AMBR" = Authorized Member

"MGR" = Manager

AMBR

Name and Address:

Ryan Galaz

2421 Lake Pancoast Dr., #6A

Miami Beach, FL 33140

(Use attachment if necessary)

ARTICLE V: Effective date, if other than the date of filing: September 12, 2016 (OPTIONAL)

(If an effective date is listed, the date must be specific and cannot be more than five business days prior to or 90 days after the date of filing.)

Note: If the date inserted in this block does not meet the applicable statutory filing requirements, this date will not be listed as the document's effective date on the Department of State's records.

ARTICLE VI: Other provisions, if any.

REQUIRED SIGNATURE:



Signature of a member or an authorized representative of a member.

This document is executed in accordance with section 605.0203 (1) (b), Florida Statutes. I am aware that any false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S.

Ryan Galaz

Typed or printed name of signee

Filing Fees:

\$125.00 Filing Fee for Articles of Organization and Designation of Registered Agent

\$ 30.00 Certified Copy (Optional)

\$ 5.00 Certificate of Status (Optional)

2017 FLORIDA LIMITED LIABILITY COMPANY ANNUAL REPORT

DOCUMENT# L16000181862

Entity Name: RTG, LLC

Current Principal Place of Business:

2421 LAKE PANCOAST DR., #6A
MIAMI BEACH, FL 33140

Current Mailing Address:

2421 LAKE PANCOAST DR., #6A
MIAMI BEACH, FL 33140 US

FEI Number: 81-5086026

Certificate of Status Desired: No

Name and Address of Current Registered Agent:

BADIHIAN, EVELYN
2421 LAKE PANCOAST DR., #6A
MIAMI BEACH, FL 33140 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent

Date

Authorized Person(s) Detail :

Title AMBR
Name GALAZ, RYAN
Address 2421 LAKE PANCOAST DR., #6A
City-State-Zip: MIAMI BEACH FL 33140

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 605, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: RYAN GALAZ

MANAGING MEMBER

02/06/2017

Electronic Signature of Signing Authorized Person(s) Detail

Date

2018 FLORIDA LIMITED LIABILITY COMPANY ANNUAL REPORT

DOCUMENT# L16000181862

Entity Name: RTG, LLC

Current Principal Place of Business:

2421 LAKE PANCOAST DR., #6A
MIAMI BEACH, FL 33140

Current Mailing Address:

2421 LAKE PANCOAST DR., #6A
MIAMI BEACH, FL 33140 US

FEI Number: 81-5086026

Certificate of Status Desired: No

Name and Address of Current Registered Agent:

BADIHAN, EVELYN
2421 LAKE PANCOAST DR., #6A
MIAMI BEACH, FL 33140 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent

Date

Authorized Person(s) Detail :

Title AMBR
Name GALAZ, RYAN
Address 2421 LAKE PANCOAST DR., #6A
City-State-Zip: MIAMI BEACH FL 33140

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 605, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: RYAN GALAZ

MEMBER

03/28/2018

Electronic Signature of Signing Authorized Person(s) Detail

Date

416 000 181 862

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

☐ PICK-UP

☐ WAIT

☐ MAIL

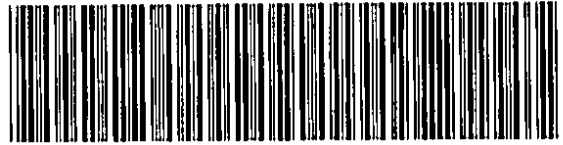
(Business Entity Name)

(Document Number)

Certified Copies _____ Certificates of Status _____

Special Instructions to Filing Officer.

Office Use Only



200322025982

12/17/18--01016--009 **25.00

FILED
2018 DEC 17 PM 2:31
FALLS CHURCH, VA
FALLS CHURCH, VA

D. BRUCE
JAN 05 2019

COVER LETTER

TO: Registration Section
Division of Corporations

SUBJECT: RTG, LLC
Name of Limited Liability Company

Dear Sir or Madam:

The enclosed Registered Agent/Registered Office Change and fee(s) are submitted for filing.

Please return all correspondence concerning this matter to the following:

Ryan Galaz
Name of Person

RTG, LLC
Firm/Company

2421 Lake Pancoast Dr., #6A
Address

Miami Beach, FL 33140
City/State and Zip Code

galazryan@gmail.com
E-mail address: (to be used for future annual report notification)

For further information concerning this matter, please call:

Ryan Galaz at (210) 848 - 7274
Name of Person Area Code & Daytime Telephone Number

STREET/COURIER ADDRESS:

Registration Section
Division of Corporations
Clifton Building
2661 Executive Center Circle
Tallahassee, Florida 32301

MAILING ADDRESS:

Registration Section
Division of Corporations
P.O. Box 6327
Tallahassee, Florida 32314

Enclosed is a check for the following amount:

☒ \$25 Filing Fee

☐ \$55 Filing Fee & Certified Copy

FILED
2018 DEC 17 PM 2:31
TALLAHASSEE, FLORIDA
CLERK OF SUPERIOR COURT

**STATEMENT OF CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT OR BOTH FOR
LIMITED LIABILITY COMPANY**

Pursuant to the provisions of sections 605.0114 or 605.0116, Florida Statutes, the undersigned limited liability company submits the following statement in order to change its registered office or registered agent, or both, in the State of Florida.

1. Name of the limited liability company: RTG, LLC

2. (a) 2421 Lake Pancoast Dr. (b) _____

Principal office address of limited liability company:

Mailing address of limited liability company:

(Note: MUST BE STREET ADDRESS)

(Note: MAY BE POST OFFICE BOX)

#6A

Miami Beach, FL 33140

9/19/16

L16000181862

3. Date of filing/registration in Florida

4. Document number

5. (a) Evelyn Badihian

Registered Agent and Registered Office shown on the records of the Florida Dept. of State:

2421 Lake Pancoast Dr.

Registered Office Address (MUST BE FLORIDA STREET ADDRESS)

#6A

Miami Beach, FL 33140

(b) Paracorp Incorporated

Enter name of NEW Registered Agent and/or NEW Registered Office address:

155 Office Plaza Drive, 1st Floor

NEW Registered Office Address:

Tallahassee, FL 32301

If the limited liability company is not organized under the laws of the State of Florida, it is hereby confirmed that after the change or changes are made, the Florida street address of the registered office and the business office of the registered agent will be identical. Or, in the case of a Florida limited liability company, it is hereby confirmed that the change(s) was/were authorized by an affirmative vote of the members of the limited liability company or as otherwise provided in the articles of organization or the operating agreement of the limited liability company.

Ryan Galaz

Signature of a member or authorized representative of a member

Ryan Galaz

Printed or typed name of signee

I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent as provided for in Chapter 605, F.S. Or, if this document is being filed to merely reflect a change in the registered office address, I hereby confirm that the limited liability company has been notified in writing of this change.

Signature of Registered Agent

FILED
2018 DEC 17 PM 2:31
TALLAHASSEE, FL 32301

STATE OF FLORIDA

REGISTERED AGENT CONSENT FORM

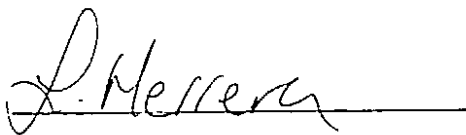
DATE:

ENTITY NAME:

REGISTERED AGENT NAME AND ADDRESS:

Paracorp Incorporated
155 Office Plaza Drive, 1st Floor
Tallahassee, FL 32301

Paracorp Incorporated, having been designated to act as Statutory Agent, hereby consents to act in the capacity for the above-referenced entity until removed or resignation is submitted in accordance with the Florida Revised Statutes.



Leticia Herrera, Assistant Secretary
Paracorp Incorporated

FILED
2018 DEC 17 PM 2:31
TALLAHASSEE FLORIDA

2019 FLORIDA LIMITED LIABILITY COMPANY ANNUAL REPORT

DOCUMENT# L16000181862

Entity Name: RTG, LLC

Current Principal Place of Business:

2421 LAKE PANCOAST DR., #6A
MIAMI BEACH, FL 33140

Current Mailing Address:

2421 LAKE PANCOAST DR., #6A
MIAMI BEACH, FL 33140 US

FEI Number: 81-5086026

Certificate of Status Desired: No

Name and Address of Current Registered Agent:

PARACORP INCORPORATED
155 OFFICE PLAZA DRIVE
1ST FLOOR
TALLAHASSEE, FL 32301 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE: _____

Electronic Signature of Registered Agent

Date

Authorized Person(s) Detail :

Title AMBR
Name GALAZ, RYAN
Address 2421 LAKE PANCOAST DR., #6A
City-State-Zip: MIAMI BEACH FL 33140

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 605, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: RYAN GALAZ

MANAGING MEMBER

02/05/2019

Electronic Signature of Signing Authorized Person(s) Detail

Date

2020 FLORIDA LIMITED LIABILITY COMPANY ANNUAL REPORT

DOCUMENT# L16000181862

Entity Name: RTG, LLC

Current Principal Place of Business:

2421 LAKE PANCOAST DR., #6A
MIAMI BEACH, FL 33140

Current Mailing Address:

2421 LAKE PANCOAST DR., #6A
MIAMI BEACH, FL 33140 US

FEI Number: 81-5086026

Certificate of Status Desired: No

Name and Address of Current Registered Agent:

PARACORP INCORPORATED
155 OFFICE PLAZA DRIVE
1ST FLOOR
TALLAHASSEE, FL 32301 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE: _____

Electronic Signature of Registered Agent

Date

Authorized Person(s) Detail :

Title AMBR
Name GALAZ, RYAN
Address 2421 LAKE PANCOAST DR., #6A
City-State-Zip: MIAMI BEACH FL 33140

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 605, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: RYAN GALAZ

AMBR

01/21/2020

Electronic Signature of Signing Authorized Person(s) Detail

Date

ORIGINAL

PICK & BOYDSTON, LLP
BRIAN D. BOYDSTON, ESQ., CA Bar No. 155614
Brianb@ix.netcom.com
10786 Le Conte Ave.
Los Angeles, California 90024
Telephone: (213) 624-1996

Attorneys for Plaintiff RTG, LLC

FILED
Superior Court of California
County of Los Angeles

JUL 19 2017

Sherri B. Carter, Executive Officer/Clerk
By Raul Sanchez Deputy
Raul Sanchez

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

RTG, LLC, a Florida Limited Liability
Company,

Plaintiff,

v.

JULIAN JACKSON, an individual, and
DOES 1 through 10, inclusive,

Defendants.

CASE NO. BC655159

Hon. Ernest M. Hiroshige

**DECLARATION OF RYAN T.
GALAZ IN SUPPORT OF RTG,
LLC'S REQUEST FOR ENTRY OF
DEFAULT JUDGMENT**

Dept. 54

Case Management Conference: 9:00 a.m.,
7/26/2017

Request for Entry of Default Judgment:
9:00 a.m., 7/26/2017

Complaint filed: March 23, 2017

FAXED

**DECLARATION OF RYAN T. GALAZ IN SUPPORT OF RTG, LLC'S REQUEST
FOR ENTRY OF DEFAULT JUDGMENT**

07/20/2017

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

[illegible]

27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
86

2
3
4
5
6
7
8
9
20
21
22
23
24
25
26
27
28

25
26
27
28

27
28

fact that Jackson is fully aware of the ruling by the Fifth Circuit Court of Appeal and demand for return of the monies has been made on him. See Exhibit J.

6. In January 2015, SSL transferred its rights against Jackson to Alfred Galaz. On October 3, 2016, Alfred Galaz transferred those same rights against Jackson to Plaintiff, RTG, LLC.

7. Plaintiff is, and at all times mentioned herein was, a Florida limited liability company with a principle place of business in the State of Florida, in the County of Miami-Dade.

8. Plaintiff is informed and believes that Defendant Jackson is, and at all times mentioned herein was, a resident of the State of California, in the County of Los Angeles.

9. Jackson converted Plaintiff's money to his own purposes, specifically by receiving \$17,244 pursuant to the BCWD judgment which was later overturned on appeal, and causing SSL to incur and pay \$69,211 in fees and costs in connection with enforcing the BCWD judgment, and then refusing to return such monies after the BCWD judgment was overturned by the Fifth Circuit Court of Appeal.

10. As a direct and proximate result of said conversion and the wrongful acts alleged herein, Plaintiff has suffered damages in the amount of \$17,244, plus \$46,140 (two thirds of \$69,211), for a total of \$63,384.

11. Jackson became indebted to SSL for money had and received from the assets of SSL, Plaintiff's predecessor in interest, in the amount of \$63,384, and such monies belong to Plaintiff as SSL's successor in interest.

12. Neither the whole nor any part of the above sum has been paid, notwithstanding that demand therefore has been made, and there is now due and unpaid from Jackson to Plaintiff, as SSL's successor in interest, the sum of \$63,384.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 18th day of July, 2017, at Cambridge, Massachusetts.



Ryan T. Galaz

07/20/2017

EXHIBIT A

Exhibit A

07/28/2017

of this Judgment, for the reasons stated in the Opinion rendered contemporaneously herewith pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure.

It is, therefore, **ORDERED, ADJUDGED, AND DECREED** that Plaintiff, Lisa Galaz, recover the amount of \$500,000 of and from Raul Galaz and Segundo Suenos, LLC, jointly and severally; \$250,000 as actual damages, plus the sum of \$250,000 as exemplary damages, for a total of \$500,000.

It is further **ORDERED, ADJUDGED, AND DECREED** that Julian Jackson recover the amount of \$1,000,000 of and from Raul Galaz and Segundo Suenos, LLC, jointly and severally; \$500,000 as actual damages, plus the sum of \$500,000 as exemplary damages, for a total of \$1,000,000.

It is further **ORDERED, ADJUDGED, AND DECREED** that all royalty and other rights to the music of the Ohio Players previously owned by Artist Rights Foundation, LLC, or Segundo Suenos, LLC, shall be owned 50 percent by Julian Jackson; 25 percent by Lisa Galaz; and 25 percent by Raul Galaz, as an economic interest only; provided, however, that all proceeds attributable to Raul Galaz's 25 percent share shall be paid to Jackson and Lisa Galaz until their actual and exemplary damages awarded in this Judgment are satisfied.

It is further **ORDERED, ADJUDGED, AND DECREED** that the preliminary injunction previously granted on May 9, 2008, in this adversary proceeding will be made permanent. Defendants, Raul Galaz, Alfredo Galaz, and Segundo Suenos, LLC, are **ORDERED** not to spend, dissipate or transfer any funds or assets of Segundo Suenos, LLC. In addition, Defendants are **ORDERED**, within ten days, to turn over all such assets, records, and evidence of their ownership to Julian Jackson and Lisa Galaz as co-owners of the royalties and other assets. The Court also hereby **ORDERS** Raul Galaz,

Segundo Suenos, Alfredo Carlos Galaz, and anyone acting in active concert with any of them with knowledge of this Preliminary Injunction not to dismiss, compromise, settle, assign, or in any way prejudice any of the rights, claims or litigation of Segundo Suenos, including specifically (but without limitation) any right or claim asserted by Segundo Suenos in any of the following civil actions:

1. Case No. BC366409; *Segundo Suenos, LLC v. Warner-Chappell Music, Inc. et al.*, in the Superior Court of the State of California, County of Los Angeles, Central Division.
2. Case No. BC358422 and/or BC355571; *Segundo Suenos, LLC v. Tracy Draper et al. and/or Ray Gaddis, et al.*, in the Superior Court of the State of California, County of Los Angeles, Central Division.

The rights, claims, litigation, and all records thereof shall be turned over to Lisa Galaz and Julian Jackson. Any failure to comply with this Judgment will be punishable by contempt.

Costs of court are taxed against Raul Galaz, for which execution shall issue. Lisa Galaz is awarded attorney's fees for a successful action under TUFTA. TEX. BUS. & COMM. CODE § 24.013. Lisa Galaz's attorneys may submit a postjudgment affidavit concerning attorney's fees within fourteen days.

Any relief not specifically granted herein is denied.

###

07/20/2017

EXHIBIT B

07/29/2017



The relief described hereinbelow is SO ORDERED.

Signed January 19, 2011.

Ronald B. King

Ronald B. King
United States Chief Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

IN RE:

LISA ANN GALAZ,

Debtor.

§
§
§
§
§

Case No. 07-53287 rbk

(Chapter 13)

LISA GALAZ,

Plaintiff,

v.

SEGUNDO SUENOS, LLC,
ALFREDO GALAZ, and RAUL GALAZ,

Defendants.

§
§
§
§
§
§
§
§
§
§

Adversary No. 08-05043-rbk

ORDER FOR TURNOVER OF PROPERTY

ORDER FOR TURNOVER:

On January 4, 2011, the Court held an evidentiary hearing and considered the post-judgment Motion of Lisa Galaz for Turnover of Assets and/or for Writ of Execution. The Court hereby grants the Motion, and **ORDERS, ADJUDGES, AND DECREES** as follows.

1. John Patrick Lowe is hereby appointed as a Receiver to receive, manage, collect, and/or sell the property described more fully below in this Order for the benefit of Lisa Galaz and Julian Jackson, the judgment creditors under the Judgment in this Adversary Proceeding signed on November 12, 2010 (below, the "Judgment"). The Receiver is hereby given all of the authority provided by law as a receiver under Section 31.002 of the Texas Civil Practice and Remedies Code and/or all authority delegable by this Court to a Receiver for collection and enforcement of its judgments.

2. Whenever in this Order the Court refers to the Receiver paying money over to Lisa Galaz, the payment should be made to the Chapter 13 trustee of her bankruptcy estate pending further order of this Court. Whenever in this Order the Court refers to the Receiver paying money over to Julian Jackson, the payment should be made directly to Julian Jackson.

3. Lisa Galaz shall have and recover from Raul Galaz and Segundo Suenos, LLC, jointly and severally, the sum of \$1,500.00 as a reasonable fee for the necessary legal services of her counsel in preparing and presenting the Motion for Turnover Relief in this Court.

4. Segundo Suenos, LLC and Raul Galaz shall immediately turn over to the Receiver the 2006 Hummer LL motor vehicle with vehicle identification number 5GRGN22U56H118243 (the "Hummer") along with the original certificate of title for the

Hummer. The lien claimed by Raul Galaz on the Texas certificate of title for the Hummer is hereby transferred to the Receiver along with the debt claimed by Raul Galaz to be secured by that lien. The title to the Hummer and the lien claimed by Raul Galaz are hereby merged into the Receiver. The Receiver is authorized to apply for and obtain a certificate of title removing the lien claimed by Raul Galaz and to sell the Hummer and to deliver title to the Hummer to a buyer free and clear of any and all liens. The Receiver is directed to take possession of the Hummer and to sell it in a commercially reasonable manner and to pay the net sale proceeds to Julian Jackson and to Lisa Galaz as their interests appear in the Judgment. "Net sale proceeds," as used in this Order, means the sale proceeds remaining after deduction Court approved for sale expenses and the Receiver's fee for services. As provided in paragraph 11 below, the Receiver's approved fees and expenses for his services in selling the Hummer are costs of Court assessed against Raul Galaz and Segundo Suenos, LLC jointly and severally for which execution shall issue as necessary.

5. Segundo Suenos and Raul Galaz shall immediately turn over to the Receiver possession and custody of the Equipment – *i.e.*, the computers, monitors, keyboards, and computer mice – described by the Order Granting Debtor's Motion for Turnover in re Jon Philip Monson, II (or John Philip Monson or John Munson) in Case No. 3:09-bk-07291-PMG signed on August 11, 2010, in the United States Bankruptcy Court for the Jacksonville Division of the Middle District of Florida (the "Monson Bankruptcy"). The Receiver shall receive the Equipment subject to the automatic stay and any orders pertaining to the Equipment in that pending bankruptcy case. The

Receiver is hereby authorized to maintain possession and custody of the Equipment and/or to sell the Equipment as described more fully below in this Order.

6. Ownership of the claims and causes of action by Segundo Suenos against Jon Philip Monson, II in adversary proceeding nos. 3:09-ap-00614-PMG and 3:10-ap-00228-PMG (both styled Segundo Suenos, LLC, plaintiff v. Jon Philip Monson, II, defendant) in the Monson Bankruptcy is hereby transferred to the Receiver. References in this Order to "Monson" mean the debtor in that bankruptcy case and the defendant in those adversary proceedings, whether he is know as "Monson" or "Munson." Segundo Suenos is hereby directed to turn over to the Receiver all of its records supporting and/or relating to the claims and causes of action in those two adversary proceedings. The Receiver is hereby authorized to communicate with counsel for Segundo Suenos in those adversary proceedings under, subject to, and preserving the attorney-client and work product privileges. The Receiver is hereby authorized to analyze the merit of those claims and causes of action by Segundo Suenos against Monson, and to determine and decide in the sole discretion of the Receiver whether it is in the best interests of Lisa Galaz and Julian Jackson in collecting on the Judgment to sell the claims and causes of action, or to continue to prosecute the claims and causes of action in an effort to obtain and collect a settlement or judgment in the adversary proceedings against Monson. If the Receiver determines that it is in the best interests of Lisa Galaz and Julian Jackson to sell the claims and causes of action against Monson for a cash sale, the Receiver is hereby authorized to sell those claims and causes of action in a commercially reasonable manner and to pay the net sale proceeds to Julian Jackson and to Lisa Galaz according to their interests in the Judgment. The approved fees and expenses of the Receiver in selling the

claims and causes of action against Monson or in maintaining ownership and control of those claims and causes of action are costs of Court assessed against Raul Galaz and Segundo Suenos, LLC jointly and severally for which execution shall issue as necessary for collection. If the Receiver determines that it is in the best interest of Julian Jackson and Lisa Galaz in maximizing their collection of the Judgment for the Receiver to maintain ownership and control of the claims and causes of action to continue to try to obtain and collect a judgment against Monson, the Receiver is authorized to maintain ownership of the claims and causes of action for that purpose.

7. Segundo Suenos has contended that some or all the Equipment described in paragraph 5 above is useful and necessary as evidence for proving the claims and causes of action against Monson described in paragraph 6 above. The Receiver is hereby authorized and directed to evaluate the merit of that contention. If the Receiver in his sole discretion determines that it is not useful and efficient for the best interests of Julian Jackson and Lisa Galaz in maximizing their collection of the Judgment for the Receiver to maintain possession and custody of the Equipment for use as evidence for proving the claims and causes of action described in paragraph 6 above, the Receiver is hereby authorized to sell the Equipment in a commercially reasonable manner and to pay the net sale proceeds to Julian Jackson and to Lisa Galaz according to their interests under the Judgment. If the Receiver in his sole discretion determines that it is useful and efficient for the best interests of Julian Jackson and Lisa Galaz in maximizing the collection of the Judgment to maintain possession and custody of the Equipment as evidence, the Receiver is hereby authorized to maintain possession and custody of the Equipment for that purpose for so long as it is useful and efficient to do so, and thereafter to sell the

Equipment in a commercially reasonable manner and to pay the net sale proceeds to Julian Jackson and to Lisa Galaz according to their interests in the Judgment. The approved fees and expenses of the Receiver in selling the Equipment or in maintaining possession and custody of the Equipment are costs of Court for which execution shall issue as necessary for collection.

8. The Receiver is hereby authorized and directed to serve as the collecting agent for Julian Jackson and Lisa Galaz (and her Chapter 13 bankruptcy estate) for the rights and royalties of the musical works of the Ohio Players awarded to Julian Jackson and Lisa Galaz the Judgment. The Receiver is hereby authorized and directed to contact any and all collecting societies or agencies (including, without limitation, BMI, UMG, ASCAP, Bug Music, Warner-Chappell, and Bridgeport Music) and other persons holding or receiving any revenues or royalties from the rights to the musical works of the Ohio Players to instruct them to pay over to the Receiver all rights and royalties from the musical works of the Ohio Players to which Lisa Galaz and Julian Jackson are entitled under the Judgment. The Receiver is hereby authorized to receive and collect such rights and royalties and to pay the net amounts received and collected – *i.e.*, after reasonable expenses and the Receiver's fee – to Julian Jackson and Lisa Galaz according to their interests in the Judgment.

9. The Receiver shall be required to post a bond in the amount of \$ 1,000.00.

10. The Receiver shall make periodic reports to the Court and the parties on the status of the Receiver's performance of duties under this Order.

11. The Receiver shall apply to the Court for approval and payment of his fees and expenses. The Receiver shall be compensated for his services by fees for his time at

the hourly rate of \$350.00 and shall be reimbursed reasonable expenses out of money collected by the Receiver in performing services under this Order or as an administrative expense of the Estate. However, the approved fees and expenses of the Receiver shall be costs of Court for which Raul Galaz and Segundo Suenos are jointly and severally liable and for which execution shall issue as necessary for collection. Under the Judgment, all proceeds attributable to Raul Galaz's 25% economic interest in the royalties and rights to the music of the Ohio Players are paid to Lisa Galaz and Julian Jackson until the Judgment is satisfied. Therefore, Raul Galaz's 25% economic interest in the royalties and rights to the music of the Ohio Players shall be charged with payment of the costs of Court attributable to the fees and expenses of the Receiver, and execution shall issue as necessary for collection of such costs.

12. The Receiver is hereby authorized to seek additional orders from Court as necessary to perform his duties under this Order.

###

Order submitted by:

BINGHAM & LEA, P.C.
319 Maverick Street
San Antonio, Texas 78212
(210) 224-1819 Telephone
(210) 224-0141 Facsimile
ben@binghamandlea.com
royal@binghamandlea.com

BY: /s/ Royal B. Lea, III
BENJAMIN R. BINGHAM
State Bar No. 02322350
ROYAL B. LEA, III
State Bar No. 12069680

SPECIAL COUNSEL FOR PLAINTIFF / DEBTOR, LISA GALAZ

ORDER FOR TURNOVER

07/20/2017

EXHIBIT C

07/28/2017

ORDERED that the Financial Institution Bank of America currently holding funds in the Registry of the Court shall disburse all funds payable as follows:

PAYEE: John Patrick Lowe

AMOUNT: \$30,593.96 (fees in the amount of \$29,995.00 and expenses in the amount of \$598.96) LESS AN APPLICABLE REGISTRY ASSESSMENT FEE OF THE TOTAL INTEREST ACCRUED, PAYABLE TO THE CLERK, U.S. BANKRUPTCY COURT

TAX ID/SSN: To be provided on the Registry Fund Confidential Personal Identification Attachment.

PAYEE'S ADDRESS: Dodson & Lowe
318 East Nopal Street
Uvalde, TX 78801

###

07/20/2017

EXHIBIT D

EXHIBIT D

07/20/2017



The relief described hereinbelow is SO ORDERED.

Signed November 21, 2011.

Ronald B. King

Ronald B. King

United States Chief Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

IN RE:

LISA ANN GALAZ,

DEBTOR

JOHN PATRICK LOWE, RECEIVER

vs.

BROADCAST MUSIC, INC.

CASE NO. 07-53287-RBK

CHAPTER 13

ADVERSARY No. 11-5024-RBK

**AMENDED ORDER GRANTING MOTION FOR
WITHDRAWAL OF FUNDS FROM THE REGISTRY OF THE COURT**

On this day came on for review the docket sheet in the above-referenced adversary proceeding, and it appears to the Court that this Court's previous "Order [of November 16, 2011] Granting Motion for Withdrawal of Funds from the Registry of the Court" (Court document #78) should be amended.

8712812017

It is, therefore, **ORDERED, ADJUDGED, AND DECREED** that the Financial Institution of *Bank of America*, which is currently holding funds in the Registry of the Court, shall disburse all funds payable as follows:

Payee: BROADCAST MUSIC, INC.

Amount: \$29,688.38, plus 100% of the total accrued interest LESS AN APPLICABLE REGISTRY ASSESSMENT FEE OF THE TOTAL INTEREST ACCRUED, PAYABLE TO THE CLERK OF THE COURT, UNITED STATES BANKRUPTCY COURT.

Tax ID/SNN: *To be provided on the Registry Fund Confidential Personal Identification Attachment.*

Payee's Address: *c/o Trent L. Rosenthal, Beirne, Maynard & Parsons, LLP*
1300 Post Oak Boulevard, Suite 2500
Houston, Texas 77056

#

07/20/2017

EXHIBIT E

07/20/2017

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

IN RE:	§	
LISA ANN GALAZ,	§	CASE NO. 07-53287-KING
	§	
Debtor	§	CHAPTER 13
_____	§	
LISA GALAZ,	§	
Plaintiff	§	
	§	
V.	§	ADV. PRO. NO. 08-5043-KING
	§	
SEGUNDO SUENOS, LLC, ALFREDO	§	
GALAZ, and RAUL GALAZ,	§	
Defendants	§	

RESIGNATION, ACCOUNTING AND REQUEST FOR DISCHARGE

TO THE HONORABLE RONALD B. KING, UNITED STATES CHIEF BANKRUPTCY JUDGE:

John Patrick Lowe, Receiver, makes and files this Resignation, Accounting and Request for Discharge, and in support thereof respectfully represents to the Court as follows:

1.

The Receiver resigns as receiver.

2.

Attached to this pleading is a copy of the Receiver's record of receipts and disbursements during the Receivership.

3.

The Receiver will file a separate request for compensation and reimbursement of expenses.

4.

The Receiver requests that the resignation be accepted, that the accounting be reviewed and approved and that the Receiver be discharged.

WHEREFORE, premises considered, the Receiver requests that the Court enter an Order as requested above, and for such other and further relief, as is just.

DATED: February 15, 2012.

Respectfully submitted,



John Patrick Lowe, Receiver
State Bar No. 12623700
318 East Nopal
Uvalde, Texas 78801
(830) 278-4471
(830) 278-6347 (fax)
Email: johnplowe@sbcglobal.net

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above and foregoing Resignation, Accounting and Request for Discharge, has been served on the following parties, by the CM/ECF system; or by electronic mail on this the 15th day of February 2012:

PLAINTIFF/DEBTOR:

Lisa Galaz
By email to: lkaton19@aol.com

ATTORNEY FOR PLAINTIFF/DEBTOR:

Royal B. Lea, III
By email to: Royal@binghamandlea.com

ATTORNEY FOR DEFENDANTS:

J. Scott Rose
By email to: srose@jw.com

Raul Galaz
By email to: raulgalaz1@aol.com

Julian Jackson
By email to: J@artistrightsfoundation.com

ACCOUNTANT:

Jennifer L. Rothe
By email to: jrothe@hondo.net



Patrick Lowe

FORM 2
ESTATE CASE RECEIPTS AND DISBURSEMENTS RECORD

Page: 1

Case No: 08-05043 -RBK
Case Name: GALAZ, LISA ANN (RECEIVERSHIP)

Trustee Name: John Patrick Lowe
Bank Name: BANK OF AMERICA, N.A.
Account Number / CD #: *****3016 Money Market Account (Interest Earn)

Taxpayer ID No: *****5650
For Period Ending: 02/15/12

Blanket Bond (per case limit): \$ 0.00
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account / CD Balance (\$)
04/25/11		Al Galaz	PER ORDER SIGNED 04/18/11		2,500.00		2,500.00
05/04/11		Bug Music, Inc.	ROYALTY PAYMENTS		8,518.61		11,018.61
05/31/11		BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.08		11,018.69
06/06/11		Mel Davis Escrow Account	NET PROCEEDS - SALE OF HUMMER		17,367.39		28,386.08
		MEL DAVIS	Memo Amount: 19,500.00				
		MEL DAVIS	Memo Amount: (1,950.00)				
			BROKER'S COMMISSION				
		MEL DAVIS	Memo Amount: (182.61)				
			BROKER'S EXPENSES				
			BREAKDOWN: \$75.00 TRANSPORT; \$107.61				
			ADVERTISING.				
06/17/11	000101	MARY K. VIEGELAHN	PER ORDER SIGNED 01/19/11 IN			5,789.13	22,596.95
		CHAPTER 13 TRUSTEE	ADV. PRO. NO. 08-5043K; 1/3 OF THE NET				
06/17/11	000102	JULIAN JACKSON	SALES PROCEEDS - HUMMER			11,578.26	11,018.69
			PER ORDER SIGNED 01/19/11				
			ADV. PRO. NO. 08-5043K; 2/3 OF THE NET				
			SALES PROCEEDS - HUMMER				
06/30/11		BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.16		11,018.85
07/29/11		BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.09		11,018.94
08/31/11		BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.10		11,019.04
09/06/11		Mel Davis Escrow Account	PER ORDER SIGNED 08/28/11-COMPUTERS		6,000.00		17,019.04
09/07/11	000103	MARY K. VIEGELAHN	PER ORDER SIGNED 01/19/11 IN			2,833.33	14,185.71
		CHAPTER 13 TRUSTEE	ADV. PRO. NO. 08-5043K; 1/3 OF LIQUIDATION				
			PROCEEDS - MONSON CLAIMS (\$2,500.00) AND				
			COMPUTERS/EQUIPMENT (\$6,000.00)				
09/07/11	000104	JULIAN JACKSON	PER ORDER SIGNED 01/19/11			5,666.67	8,519.04
			ADV. PRO. NO. 08-5043K; 2/3 OF LIQUIDATION				
			PROCEEDS - MONSON CLAIMS (\$2,500.00) AND				
			COMPUTERS/EQUIPMENT (\$6,000.00)				
09/30/11		BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.09		8,519.13

Page Subtotals 34,386.52 25,867.39

LPFORM24

Ver: 16.05c

FORM 2
ESTATE CASE RECEIPTS AND DISBURSEMENTS RECORD

Page: 2

Case No: 08-05043 -RBK
Case Name: GALAZ, LISA ANN (RECEIVERSHIP)

Trustee Name: John Patrick Lowe
Bank Name: BANK OF AMERICA, N.A.
Account Number / CD #: *****3016 Money Market Account (Interest Earn

Taxpayer ID No: *****5650
For Period Ending: 02/15/12

Blanket Bond (per case limit): \$ 0.00
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account / CD Balance (\$)
10/31/11	1	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.07		8,519.20
10/31/11		BANK OF AMERICA, N.A.	BANK SERVICE FEE	2600-000		10.85	8,508.35
11/30/11	1	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.07		8,508.42
11/30/11		BANK OF AMERICA, N.A.	BANK SERVICE FEE	2600-000		10.49	8,497.93
12/29/11		Clerk, U.S. Bankruptcy Court Western District of Texas	FUNDS FROM REGISTRY OF THE COURT		118,071.63		126,569.56
12/30/11	1	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.16		126,569.72
12/30/11		BANK OF AMERICA, N.A.	BANK SERVICE FEE	2600-000		20.18	126,549.54
01/03/12	000105	INTERNATIONAL SURETIES, LTD. 701 Poydras Street, Suite 420 New Orleans, LA 70139	BOND PREMIUM - BOND #016042004 TERM: 01/19/12 - 01/19/13	2300-000		100.00	126,449.54
01/31/12	1	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	1.08		126,450.62
01/31/12		BANK OF AMERICA, N.A.	BANK SERVICE FEE	2600-000		165.86	126,284.76
02/08/12		Jon Phillip Monson II	PER ORDER AUTHORIZING SALE		2,000.00		128,284.76

Memo Allocation Receipts: 19,500.00
Memo Allocation Disbursements: 2,132.61
Memo Allocation Net: 17,367.39

COLUMN TOTALS 154,459.53 26,174.77 128,284.76
Less: Bank Transfers/CD's 0.00 0.00
Subtotal 154,459.53 26,174.77
Less: Payments to Debtors 0.00
Net 154,459.53 26,174.77

Total Allocation Receipts: 19,500.00
Total Allocation Disbursements: 2,132.61
Total Memo Allocation Net: 17,367.39

TOTAL - ALL ACCOUNTS NET DEPOSITS DISBURSEMENTS ACCOUNT BALANCE
Money Market Account (Interest Earn - *****3016 154,459.53 26,174.77 128,284.76
154,459.53 26,174.77 128,284.76
(Excludes Account Transfers) (Excludes Payments To Debtors) Total Funds On Hand

Page Subtotals 120,073.01 307.38

Ver: 16.05c

LF09002

07/20/2017

FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Page: 3

Case No: 08-05043 -RBK
Case Name: GALAZ, LISA ANN (RECEIVERSHIP)
Taxpayer ID No: *****5650
For Period Ending: 02/15/12

Trustee Name: John Patrick Lowe
Bank Name: BANK OF AMERICA, N.A.
Account Number / CD #: *****3016 Money Market Account (Interest Earn
Blanket Bond (per case limit): \$ 0.00
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account / CD Balance (\$)

Page Subtotals

0.00

0.00

Ver: 16.05c

LF000001

07/20/2017

07/20/2017

EXHIBIT F

07/20/2017

FEES PAID icw JUDGMENT for Lisa Ann Galaz v. Raul Galaz, et al.

Adversary Proceedin g Case No.	Date	Docket No.	Amount
11-05024	11/22/11	82	\$ 29,688
11-05024	05/03/12	90	\$ 30,594
08-05043	06/17/11	449	\$ 5,789
08-05043	09/07/11	449	\$ 2,833
08-05043	10/31/11	449	\$ 11
08-05043	11/30/11	449	\$ 10
08-05043	12/30/11	449	\$ 20
08-05043	01/03/12	449	\$ 100
08-05043	01/31/12	449	\$ 165
			\$ 69,211
			\$ 46,140

07/20/2017

FEES PAID icw JUDGMENT for Lisa Ann Galaz v. Raul Galaz, et al.

Description
Interpleader fees paid to Broadcast Music, Inc.
Receiver fees paid to John Patrick Lowe
Fees paid to Chapter 13 trustee
Fees paid to Chapter 13 trustee
TOTAL
Two-thirds of TOTAL

07/20/2017

07/20/2017

EXHIBIT G

07/20/2017

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 13-50781
c/w 13-50783

United States Court of Appeals
Fifth Circuit

FILED

August 25, 2014

Lyle W. Cayce
Clerk

In the Matter of: LISA ANN GALAZ,

Debtor

RAUL GALAZ; SEGUNDO SUENOS, L.L.C.,

Appellants

v.

LISA ANN GALAZ; JULIAN JACKSON,

Appellees

Appeals from the United States District Court
for the Western District of Texas

Before HIGGINBOTHAM, JONES, and PRADO, Circuit Judges.

EDITH H. JONES, Circuit Judge:

Appellants Raul Galaz and Segundo Suenos, L.L.C.¹ appeal two judgments entered by the district court, acting in its appellate capacity, that affirmed the entry of final judgment and award of damages by a bankruptcy court for debtor Lisa Ann Galaz and third-party Julian Jackson. Because

¹ Although not apparent from the record, "Segundo Suenos" was most likely formed with the intention of reading "Segundo Sueños," which is Spanish for "Second Dreams." This opinion will use the spelling used by the entity itself.

No. 13-50781
Cons. w/ No. 13-50783

rapidly evolving case law has limited bankruptcy courts' jurisdiction, we must vacate and remand with separate instructions for each judgment creditor.

BACKGROUND

Lisa filed an adversary proceeding in bankruptcy court against her ex-husband, Raul, for fraudulently transferring the assets of Artist Rights Foundation, LLC ("ARF") to a Texas limited liability company managed by Raul's father. Raul, a former California attorney,² founded ARF in 1998 as a California limited liability company with Julian, a music producer, in order to collect royalties for the music of the Ohio Players, a former funk band. Raul and Julian secured all rights to the Ohio Players' music catalogue and exploited those rights, but from 1998 until 2005 the rights did not generate any revenue. In May 2002, Lisa and Raul divorced and executed a divorce decree under which Raul assigned half of his 50% interest in ARF to Lisa. Because Raul transferred half of his interest to Lisa without Julian's consent, in violation of ARF's written operating agreement ("Operating Agreement"), Lisa received a 25% economic interest in ARF with no management or voting rights.

On June 3, 2005, without obtaining prior consent from either Lisa or Julian, Raul assigned all of ARF's rights to the entity Segundo Suenos. At the time of the transfer, Segundo Suenos was not organized as a business entity under the laws of any state. Three months later, Raul assisted his father, Alfredo Galaz, in filing the necessary documents to establish Segundo Suenos, L.L.C. ("Segundo Suenos") within the state of Texas. Shortly thereafter, the royalties for the Ohio Players' music began to generate a substantial amount of revenue. From the time of ARF's transfer in June 2005 until trial in February 2010, Segundo Suenos's gross revenue from the Ohio Players'

² Raul resigned from the California bar in 2002 after pleading guilty to mail fraud.

No. 13-50781
Cons. w/ No. 13-50783

royalties totaled nearly one million dollars. Neither Julian nor Lisa received any share of the profits despite their interests in ARF.

In 2007, Lisa filed for Chapter 13 bankruptcy. In April 2008 she brought an adversary proceeding against Raul, Alfredo, and Segundo Suenos ("Defendants"), asserting claims under 11 U.S.C. §§ 542, 544, 548 and the Texas Uniform Fraudulent Transfer Act ("TUFTA"), and asserted that Raul, as a managing member of ARF, breached his fiduciary duties to Lisa when he transferred ARF's assets to Segundo Suenos. Defendants filed a third-party complaint against Julian, who in turn asserted seven counterclaims against Defendants, including breach of fiduciary duty and fraudulent conversion.³ After a five-day bench trial, the bankruptcy court found that the transfer of assets from ARF to Segundo Suenos was invalid, that it constituted a fraudulent transfer under TUFTA, that Raul owed fiduciary duties to Julian and had breached those duties, and that Raul owed no fiduciary duties to Lisa. The court entered judgment for Lisa and Julian, awarding Lisa \$250,000 in actual damages and \$250,000 in exemplary damages, and awarding Julian \$500,000 in actual damages and \$500,000 in exemplary damages. Raul and Segundo Suenos appealed the judgment to the district court, which affirmed the bankruptcy court's judgment but vacated and remanded the damages awards for further consideration of Segundo Suenos's alleged expenses and for redetermination of both the actual and exemplary damages. On remand, after deducting tax liabilities that ARF incurred from 1998 to 2005, the bankruptcy

³ Julian asserted the following counterclaims: Breach of fiduciary duty, fraudulent conversion, unfair business practices, currency in possession and received, unjust enrichment, non-disclosure of accounting, and perjury. Counterclaim Against Alfredo Galaz, Raul Galaz, Segundo Suenos, LLC, *In re Lisa Ann Galaz*, No. 08-05043 (Bankr. W.D. Tex. November 23, 2009).

No. 13-50781
Cons. w/ No. 13-50783

court awarded Lisa \$241,309.10 in actual damages and \$250,000 in exemplary damages, and awarded Julian \$479,216.95 in actual damages and \$500,000 in exemplary damages. Appellants appealed the judgment, and the district court affirmed.⁴ This timely appeal from the district court followed.⁵

STANDARD OF REVIEW

When reviewing a district court's affirmance of a bankruptcy court's judgment, this court applies "the same standard of review to the bankruptcy court decision that the district court applied." *In re Frazin*, 732 F.3d 313, 317 (5th Cir. 2013) (quoting *In re IFS Fin. Corp.*, 669 F.3d 255, 260 (5th Cir. 2012) (internal quotation marks omitted)), *cert. denied*, 134 S. Ct. 1770 (U.S. 2014). Thus, this court reviews factual findings for clear error and legal conclusions *de novo*. *Id.* See also *In re OCA, Inc.*, 551 F.3d 359, 366 (5th Cir. 2008).

DISCUSSION

A. Subject Matter Jurisdiction

The principal issues in this appeal concern the bankruptcy court's jurisdiction to entertain Lisa's and Julian's claims and the district court's role in reviewing the bankruptcy court's determinations. Appellants contend that Lisa's claims and Julian's counterclaims did not seek recovery of property taken from Lisa's estate and will not have any effect on her bankruptcy case. This court reviews the question of subject matter jurisdiction *de novo*. *In re OCA, Inc.*, 551 F.3d at 366. As will be seen, the case turns on two separate questions, the statutory and constitutional authority of the bankruptcy court. We consider each in turn.

⁴ Alfredo Galaz was not held liable.

⁵ Despite being named as an appellee in this case, Julian did not participate in the proceedings before this court or the district court, even after the district court ordered Julian to file a brief during Appellants' appeal of the damages award.

No. 13-50781
Cons. w/ No. 13-50783

In *Matter of Walker*, this court explained the source of a bankruptcy court's jurisdiction:

Jurisdiction for bankruptcy cases is rooted in the provisions of 18 U.S.C. § 1334. . . . Section 1334 provides that, with one exception, "the district court shall have original and exclusive jurisdiction of all cases under title 11." . . . Through this section, district courts, along with their bankruptcy units, are empowered to hear "cases under title 11" [i.e. the bankruptcy petition itself]. [Additionally,] § 1334(b) gives the district courts original, but not exclusive, jurisdiction over "proceedings arising under title 11"; "proceedings 'arising in' a case under title 11"; and "proceedings 'related to' a case under title 11."

51 F.3d 562, 568 (5th Cir. 1995) (internal citations omitted). Relevant to the analysis here are those cases that are at least "related to" a bankruptcy case.

Although the Bankruptcy Code does not define "related matters," . . . we determined that a matter is related for § 1334 purposes when "the outcome of that proceeding could *conceivably* have any effect on the estate being administered in bankruptcy." As we later more specifically stated, "[a]n action is related to bankruptcy if the outcome could alter the debtor's rights, liabilities, options, or freedom of action (either positively or negatively) and which in any way impacts upon the handling and administration of the bankrupt estate." Conversely, "bankruptcy courts have no jurisdiction over proceedings that have no effect on the debtor."

Id. at 569 (internal citations omitted) (emphasis in original).

As the district court found, a judgment against Appellants could, at least conceivably, increase the size of Lisa's bankruptcy estate. See *In re BP RE, L.P.*, 735 F.3d 279, 282 (5th Cir. 2013) (state law claims brought by debtor against third-party non-creditors were "related to" the bankruptcy case); *Waldman v. Stone*, 698 F.3d 910, 916 (6th Cir. 2012), (bankruptcy court had subject matter jurisdiction over a debtor's state law claims in an adversary

No. 13-50781
Cons. w/ No. 13-50783

proceeding, in part because “a damages award on [the debtor’s] affirmative claims would provide assets for his other creditors”). Lisa’s TUFTA claim, it must be noted, is not the paradigmatic fraudulent conveyance claim in bankruptcy, which “asserts that property that should have been part of the bankruptcy estate and therefore available for distribution to creditors pursuant to Title “was improperly removed.” *Executive Benefits Ins. Agency v. Arkison*, 134 S. Ct. 2165, 2174, 189 L. Ed. 2d 83, 82 U.S.L.W. 4450 (2014). In typical bankruptcy fraudulent conveyance cases, it is the debtor who “removes” property from his estate to prevent its falling into the hands of creditors. Here, Lisa is a victim—in her status as an economic interest holder and therefore a creditor—of Raul’s unauthorized transfer of ARF’s assets. Her state law claim for damages and other relief is against parties who are otherwise uninvolved in the bankruptcy case and exists irrespective of the pendency of the bankruptcy case.⁶

Julian’s counterclaims, in contrast, will not result in any recovery for Lisa, nor will they have any effect on her bankruptcy case. Even in light of the permissive standard for what constitutes matters “related to” bankruptcy, Julian’s counterclaims as a third-party defendant fall short. *See Matter of Walker*, 51 F.3d at 569 (“As several courts have observed, ‘a vast majority of cases find that “related to” jurisdiction is lacking in connection with third-party complaints.”). Because the bankruptcy court lacked subject matter jurisdiction over Julian’s unrelated third-party counterclaims, we must vacate the judgments for Julian.

⁶ As thus characterized, Lisa’s claim could not arise under the Bankruptcy Code itself, 11 U.S.C. § 548, and is not a “core” claim.

No. 13-50781
Cons. w/ No. 13-50783

Appellants also challenge the bankruptcy court's constitutional power to enter final judgment on Lisa's claims. A bankruptcy court may enter final judgment only if the court has both statutory and constitutional authority to do so. *Stern v. Marshall*, 131 S. Ct. 2594, 2608, 180 L. Ed. 2d 475, 79 U.S.L.W. 4564 (2011). A bankruptcy court's statutory authority derives from 28 U.S.C. §157(b)(1), which designates certain matters as "core proceedings" and authorizes a bankruptcy court to determine the matters and enter final judgments. See *Executive Benefits*, 134 S. Ct. at 2171. See also *Waldman*, 698 F.3d at 921-22 ("A core proceeding either invokes a substantive right created by federal bankruptcy law or one which could not exist outside of the bankruptcy." (quoting *Lowenbraun v. Canary*, 453 F.3d 314, 320 (6th Cir. 2006))), *cert denied*, 133 S. Ct. 1604 (2013). As for "non-core" proceedings, 28 U.S.C. § 157(c) authorizes a bankruptcy court either to "submit proposed findings of fact and conclusions of law to the district court," which are reviewed *de novo*, or to enter final judgment with the parties' consent. *Executive Benefits*, 134 S. Ct. at 2172.

While Section 157 gives bankruptcy courts statutory authority to enter final judgment on specific bankruptcy-related claims, "Article III of the Constitution prohibits bankruptcy courts from finally adjudicating certain of those claims." *Id.* at 2168. "Congress may not bypass Article III simply because a proceeding may have *some* bearing on a bankruptcy case; the question is whether the action at issue stems from the bankruptcy itself or would necessarily be resolved in the claims allowance process." *Stern*, 131 S. Ct. at 2618. Thus, "when a debtor pleads an action arising only under state-law, . . . or when the debtor pleads an action that would augment the bankrupt estate, but not 'necessarily be resolved in the claims allowance process[.]' then the bankruptcy court is constitutionally prohibited from

No. 13-50781
Cons. w/ No. 13-50783

entering final judgment.” *Waldman*, 698 F.3d at 919 (quoting *Sterns*, 131 S. Ct. at 2618). *Accord In re BP RE*, 735 F.3d at 285.

The district court treated Lisa’s TUFTA claim as being “related to” the bankruptcy rather than a core bankruptcy claim. We agree with this characterization. The court went on, however, to hold that the bankruptcy court had authority to enter a final judgment based on the Appellants’ implied consent. 28 U.S.C. § 157(c)(2); Bankr. Rule 7012; Memo Op., *Galaz v. Galaz*, No. 11-00425 (W.D. Tex April 17, 2012). This court’s later decisions in *In re Frazin* and *In re BP RE* are at odds with the district court’s consent rationale. Each of these cases holds that according to *Stern*, the parties’ express or implied consent cannot cure the constitutional deficiency that results from circumventing, or diminishing, the Article III structural protections for the federal judiciary. *In re BP RE*, 735 F.3d at 286-87 (relying on *Waldman*, 698 F.3d at 917, 918); *In re Frazin*, 732 F.3d at 319. While the Supreme Court reserved in *Executive Benefits* the issue of the efficacy of consent to support certain final bankruptcy court judgments, *see* 134 S. Ct. at 2170 n.4, the Court has granted certiorari on a case raising that issue. *Wellness Int’l Network Ltd. v. Sharif*, 727 F.3d 751 (7th Cir. 2013), *cert. granted in part*, 134 S. Ct. 2901, 82 U.S.L.W. 3496 (2014). Until the Supreme Court decides, we are bound by controlling circuit precedent.

The failure of the consent rationale does not vitiate the lower courts’ work altogether, however. As the Supreme Court recently held, claims designated for final adjudication in the bankruptcy court as a statutory matter, but prohibited from proceeding in that way as a constitutional matter, may still “proceed as non-core within the meaning of § 157(c).” *Executive Benefits*, 134 S. Ct. at 2173. Because Lisa’s claim is “related to a case under title 11,” 28 U.S.C. § 157(c)(1), the bankruptcy court may still hear it and “submit

No. 13-50781
Cons. w/ No. 13-50783

proposed findings of fact and conclusions of law to the district court for *de novo* review and entry of judgment.” *Executive Benefits*, 134 S. Ct. at 2173. *Id.* at 2174 (holding that the debtor’s fraudulent conveyance claims “fit comfortably within the category of claims governed by § 157(c)(1)” and that the bankruptcy court would have been permitted to submit proposed findings of fact and conclusions of law on such claims). Accordingly, the district court’s judgment on Lisa’s TUFTA claim must be vacated and remanded for *de novo* review of the bankruptcy court’s decision as recommended findings and conclusions.

B. Arbitration

Appellants contend alternatively that the bankruptcy court should have referred Lisa’s claims to arbitration pursuant to an arbitration provision in the ARF Operating Agreement. “[O]nly parties to an arbitration agreement are generally bound by it,” *In re Huffman*, 486 B.R. 343, 354 (Bankr. S.D. Miss. 2013). As the bankruptcy court found, Lisa was not a party to the Operating Agreement. The Operating Agreement’s opening paragraph refers to “parties” as the LLC’s “Members.” Lisa held an only economic interest. While this circuit has recognized a limited set of circumstances in which a nonsignatory may be bound to an arbitration agreement,⁷ there is no argument or evidence suggesting how Lisa, neither a Member nor a party to the LLC, is bound to the arbitration provision. As to Lisa, this argument is meritless.

C. TUFTA Claim

Appellants challenge the district court’s affirmance of the bankruptcy court’s judgment finding liability on Lisa’s TUFTA claim. *See Bankr. Ct. Op.*,

⁷ “Six theories for binding a nonsignatory to an arbitration agreement have been recognized: (a) incorporation by reference; (b) assumption; (c) agency; (d) veil-piercing/alter ego; (e) estoppel; and (f) third-party beneficiary.” *Bridas S.A.P.I.C. v. Gov’t. of Turkmenistan*, 345 F.3d 347, 355-56 (5th Cir. 2003).

No. 13-50781
Cons. w/ No. 13-50783

In re Lisa Ann Galaz, No. 08-05043 (Bankr. W.D. Tex. Nov. 12, 2010). Although the district court will ultimately review this claim *de novo* upon remand, we clarify one legal point as guidance.

TUFTA “aims to prevent debtors from fraudulently placing assets beyond the reach of creditors.” *GE Capital Commercial Inc. v. Worthington Nat’l Bank*, 754 F.3d 297, 302 (5th Cir. 2014). In order to prevail on a TUFTA claim, a plaintiff must prove that (1) she is a “creditor” with a claim against a “debtor”; (2) the debtor transferred assets after, or a short time before, the plaintiff’s claim arose; and (3) the debtor made the transfer with the intent to hinder, delay, or defraud the plaintiff. *Nwokedi v. Unlimited Restoration Specialists, Inc.*, 428 S.W.3d 191, 204-05 (Tex. App.—Houston [1st Dist.] 2014, pet. denied) (citing Tex. Bus. & Com. Code § 24.005(a)(1)). One issue raised here is whether Lisa qualifies as a “creditor” within the meaning of TUFTA. TUFTA defines a creditor as someone who has a “claim”—that is, a “right to payment or property, whether or not the right is reduced to judgment, liquidated, . . . fixed, contingent, matured . . . disputed, undisputed, legal, equitable, [or] secured,” Tex. Bus. & Com. Code §§ 24.002(3), (4)—and defines “debtor” as “a person who is liable on a claim,” *id.* at § 4.002(6).

The bankruptcy court assumed Lisa qualified as a “creditor” under TUFTA, but the district court held that Lisa had standing to assert a TUFTA claim as a creditor because she brought her claim in conjunction with other unliquidated, disputed tort claims that arose at the time ARF’s assets were transferred. While we agree that Lisa qualifies as a creditor, it is more precise to say her status as a creditor turns on whether “she had a right to payment or property that existed at the time of the fraudulent transfer[] or that arose within a reasonable time afterwards.” *Williams v. Performance Diesel, Inc.*, No. 14-00-00063-CV, 2002 WL 596414 at *2 (Tex. App.—Houston [14th Dist.]

No. 13-50781
Cons. w/ No. 13-50783

Apr. 18, 2002, no pet.) (citing Tex. Bus. & Com. Code §§ 24.005(a), 24.006). Because she was an economic interest holder of ARF, which was a creature of California corporate law, she had a right to payment and was entitled to distributions from ARF before it was “dissolved” in December 2006 and Raul transferred the royalty rights. See Cal. Corp. Code § 17001(n) (“‘Economic interest’ means a person’s right to share in the income, gains, losses, deductions, credit, or similar items of, and to receive distributions from, the limited liability company[.]”); *id.* at § 17300 (“[A]n economic interest in a limited liability company constitute[s] personal property of the . . . assignee.”).⁸ Lisa thus had standing to bring such a TUFTA claim against Appellants.⁹

Appellants raise additional arguments challenging the bankruptcy court’s findings on liability, actual damages and punitive damages, but review of these factual issues is not properly before us.

Conclusion

Based on the current state of bankruptcy court jurisdiction, as interpreted by the Supreme Court and this court, we must VACATE and REMAND with instructions to DISMISS the judgment in favor of Julian Jackson, which the bankruptcy court adjudicated without jurisdiction. The

⁸ Title 2.5 of the California Corporations Code, which includes all provisions applying to limited liability companies, was recently repealed, operative January 1, 2014. However, because the relevant events of this case occurred prior to the repeal, Title 2.5 of the Code applies here.

⁹ Raul contends that “an economic interest holder may not bring a suit for fraudulent conveyance under California law,” and relies on *PacLink Communications International v. Superior Court*, 90 Cal. App. 4th 958, 964 (Cal. App. 2d Dist. 2001), for this conclusion. However, *PacLink* does not support Raul’s contention. *PacLink* focuses on the rights, or lack thereof, of shareholders to file individual suits and on the diminution of members’ ownership interests in company assets. Lisa was neither a member nor a shareholder of ARF. She was an economic interest holder. Noticeably absent from *PacLink* is any discussion about the rights of economic interest holders.

No. 13-50781
Cons. w/ No. 13-50783

bankruptcy court's judgment for Lisa Galaz must also be VACATED and REMANDED to the district court for further proceedings. *In re BP Re*, 735 F.3d at 281. The district court, in turn, may refer the case to the bankruptcy court, which may recast its judgment as proposed findings and conclusions, or may otherwise dispose of the case consistent with this opinion.

Judgment VACATED and REMANDED with instructions to DISMISS IN PART; VACATED and REMANDED for further proceedings IN PART.

BILL OF COSTS

NOTE: The Bill of Costs is due in this office *within 14 days from the date of the opinion*. See FED. R. APP. P. & 5TH CIR. R. 39. Untimely bills of costs must be accompanied by a separate motion to file out of time, which the court may deny.

_____ v. _____ No. _____
The Clerk is requested to tax the following costs against: _____

COSTS TAXABLE UNDER Fed. R. App. P. & 5 th Cir. R. 39	REQUESTED				ALLOWED (If different from amount requested)			
	No. of Copies	Pages Per Copy	Cost per Page*	Total Cost	No. of Documents	Pages per Document	Cost per Page*	Total Cost
Docket Fee (\$450.00)								
Appendix or Record Excerpts								
Appellant's Brief								
Appellee's Brief								
Appellant's Reply Brief								
Other: _____								
				Total \$ _____	Costs are taxed in the amount of \$ _____			

Costs are hereby taxed in the amount of \$ _____ this _____ day of _____.

State of _____
County of _____

LYLE W. CAYCE, CLERK

By _____
Deputy Clerk

I, _____, do hereby swear under penalty of perjury that the services for which fees have been charged were incurred in this action and that the services for which fees have been charged were actually and necessarily performed. A copy of this Bill of Costs was this day mailed to opposing counsel, with postage fully prepaid thereon. This _____ day of _____.

*SEE REVERSE SIDE FOR RULES
GOVERNING TAXATION OF COSTS

(Signature)
Attorney for _____

07/20/2017

FIFTH CIRCUIT RULE 39

39.1 Taxable Rates. *The cost of reproducing necessary copies of the brief, appendices, or record excerpts shall be taxed at a rate not higher than \$0.15 per page, including cover, index, and internal pages, for any for of reproduction costs. The cost of the binding required by 3rd Cir. R. 32.2.3 that mandates that briefs must lie reasonably flat when open shall be a taxable cost but not limited to the foregoing rate. This rate is intended to approximate the current cost of the most economical acceptable method of reproduction generally available; and the clerk shall, at reasonable intervals, examine and review it to reflect current rates. Taxable costs will be authorized for up to 15 copies for a brief and 10 copies of an appendix or record excerpts, unless the clerk gives advance approval for additional copies.*

39.2 Nonrecovery of Mailing and Commercial Delivery Service Costs. *Mailing and commercial delivery fees incurred in transmitting briefs are not recoverable as taxable costs.*

39.3 Time for Filing Bills of Costs. *The clerk must receive bills of costs and any objections within the times set forth in FED. R. APP. P. 39(D). See 3rd Cir. R. 26.1.*

FED. R. APP. P. 39. COSTS

(a) Against Whom Assessed. The following rules apply unless the law provides or the court orders otherwise:

- (1) if an appeal is dismissed, costs are taxed against the appellant, unless the parties agree otherwise;
- (2) if a judgment is affirmed, costs are taxed against the appellant;
- (3) if a judgment is reversed, costs are taxed against the appellee;
- (4) if a judgment is affirmed in part, reversed in part, modified, or vacated, costs are taxed only as the court orders.

(b) Costs For and Against the United States. Costs for or against the United States, its agency or officer will be assessed under Rule 39(a) only if authorized by law.

(c) Costs of Copies Each court of appeals must, by local rule, fix the maximum rate for taxing the cost of producing necessary copies of a brief or appendix, or copies of records authorized by rule 30(f). The rate must not exceed that generally charged for such work in the area where the clerk's office is located and should encourage economical methods of copying.

(d) Bill of costs: Objections; Insertion in Mandate.

- (1) A party who wants costs taxed must – within 14 days after entry of judgment – file with the circuit clerk, with proof of service, an itemized and verified bill of costs.
 - (2) Objections must be filed within 14 days after service of the bill of costs, unless the court extends the time.
 - (3) The clerk must prepare and certify an itemized statement of costs for insertion in the mandate, but issuance of the mandate must not be delayed for taxing costs. If the mandate issues before costs are finally determined, the district clerk must – upon the circuit clerk's request – add the statement of costs, or any amendment of it, to the mandate.
- (e) Costs of Appeal Taxable in the District Court.** The following costs on appeal are taxable in the district court for the benefit of the party entitled to costs under this rule:
- (1) the preparation and transmission of the record;
 - (2) the reporter's transcript, if needed to determine the appeal;
 - (3) premiums paid for a supersedeas bond or other bond to preserve rights pending appeal; and
 - (4) the fee for filing the notice of appeal.

United States Court of Appeals

FIFTH CIRCUIT
OFFICE OF THE CLERK

LYLE W. CAYCE
CLERK

TEL 504-310-7700
600 S. MAESTRI PLACE
NEW ORLEANS, LA 70130

August 25, 2014

MEMORANDUM TO COUNSEL OR PARTIES LISTED BELOW

Regarding: Fifth Circuit Statement on Petitions for Rehearing
or Rehearing En Banc

No. 13-50781 Raul Galaz, et al v. Lisa Galaz, et al
13-50783 Raul Galaz, et al v. Lisa Galaz, et al
USDC No. 5:11-CV-425
USDC No. 5:13-CV-379

Enclosed is a copy of the court's decision. The court has entered judgment under FED R. APP. P. 36. (However, the opinion may yet contain typographical or printing errors which are subject to correction.)

FED R. APP. P. 39 through 41, and 5TH Cir. R.s 35, 39, and 41 govern costs, rehearings, and mandates. 5TH Cir. R.s 35 and 40 require you to attach to your petition for panel rehearing or rehearing en banc an unmarked copy of the court's opinion or order. Please read carefully the Internal Operating Procedures (IOP's) following FED R. APP. P. 40 and 5TH CIR. R. 35 for a discussion of when a rehearing may be appropriate, the legal standards applied and sanctions which may be imposed if you make a nonmeritorious petition for rehearing en banc.

Direct Criminal Appeals. 5TH CIR. R. 41 provides that a motion for a stay of mandate under FED R. APP. P. 41 will not be granted simply upon request. The petition must set forth good cause for a stay or clearly demonstrate that a substantial question will be presented to the Supreme Court. Otherwise, this court may deny the motion and issue the mandate immediately.

Pro Se Cases. If you were unsuccessful in the district court and/or on appeal, and are considering filing a petition for certiorari in the United States Supreme Court, you do not need to file a motion for stay of mandate under FED R. APP. P. 41. The issuance of the mandate does not affect the time, or your right, to file with the Supreme Court.

The judgment entered provides that appellants pay to appellees the costs on appeal.

Sincerely,

LYLE W. CAYCE, Clerk



By: _____
Joseph M. Armato, Deputy Clerk

Enclosure(s)

Mr. Benjamin R. Bingham
Mr. Julian Jackson
Mr. Royal B. Lea III
Mr. J. Scott Rose

07/20/2017

07/20/2017

EXHIBIT H

07/20/2017

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 13-50781

D.C. Docket No. 5:11-CV-425

United States Court of Appeals
Fifth Circuit

FILED

August 25, 2014

Lyle W. Cayce
Clerk

In the Matter of: LISA ANN GALAZ,

Debtor

RAUL GALAZ; SEGUNDO SUENOS, L.L.C.,

Appellants

v.

LISA ANN GALAZ; JULIAN JACKSON,

Appellees

Appeals from the United States District Court for the
Western District of Texas, San Antonio

Before HIGGINBOTHAM, JONES, and PRADO, Circuit Judges.

J U D G M E N T

This cause was considered on the record on appeal and was argued by counsel.

It is ordered and adjudged that the judgment of the District Court is vacated, and the cause is remanded to the District Court for further proceedings in accordance with the opinion of this Court.

IT IS FURTHER ORDERED that appellants pay to appellees the costs on appeal to be taxed by the Clerk of this Court.

07/20/2017

ISSUED AS MANDATE:

A True Copy
Attest

Clerk, U.S. Court of Appeals, Fifth Circuit

By: _____
Deputy

New Orleans, Louisiana

07/20/2017

07/28/2017

EXHIBIT I

07/20/2017

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 13-50783

D.C. Docket No. 5:13-CV-379

United States Court of Appeals
Fifth Circuit

FILED

August 25, 2014

Lyle W. Cayce
Clerk

In the Matter of: LISA ANN GALAZ,

Debtor

RAUL GALAZ; SEGUNDO SUENOS, L.L.C.,

Appellants

v.

LISA ANN GALAZ; JULIAN JACKSON,

Appellees

Appeals from the United States District Court for the
Western District of Texas, San Antonio

Before HIGGINBOTHAM, JONES, and PRADO, Circuit Judges.

J U D G M E N T

This cause was considered on the record on appeal and was argued by counsel.

It is ordered and adjudged that the judgment of the District Court is vacated, and the cause is remanded to the District Court for further proceedings in accordance with the opinion of this Court.

IT IS FURTHER ORDERED that appellants pay to appellees the costs on appeal to be taxed by the Clerk of this Court.

07/28/2014

ISSUED AS MANDATE:

A True Copy
Attest

Clerk, U.S. Court of Appeals, Fifth Circuit

By: _____
Deputy

New Orleans, Louisiana

07/28/2017

01/28/2017

01/28/2017

01/28/2017

01/28/2017

01/28/2017

01/28/2017

EXHIBIT J

07/28/2017

Alfred Galaz
508 Red Cloud Dr.
Harker Heights, TX 76548
Email: lgalaz@hotmail.com

January 19, 2015

VIA PRIORITY MAIL
VIA EMAIL: j@artistrightsfoundation.com
Julian Jackson
4712 Admiralty Way, Ste. 593
Marina Del Rey, CA 90292

Re: Monies for Return: Artist Rights Foundation, LLC

Dear Mr. Jackson,

I am the successor in interest of Raul Galaz and Segundo Suenos, LLC, in certain matters pertaining to you.

As you are aware, pursuant to orders issued by the U.S. Bankruptcy Court for the Western District of Texas in adversary proceeding no. 08-05043, you were awarded a significant monetary judgment against Raul Galaz and Segundo Suenos LLC, and a two-thirds interest in the Ohio Players music catalogue (pending recovery of the monetary judgment, at which time such right would revert to a one-half interest). As you are aware, according to an opinion issued on August 25, 2014 by the 5th Circuit of Appeals, such judgment has now been vacated, and is no longer effective.

According to the records of Patrick Lowe, Esq., a receiver appointed in adversary proceeding no. 08-05043, you were paid the sum of \$17,244 pursuant to the now-vacated judgment. Specifically, on or about June 17, 2011 you were paid the sum of \$11,578, and on or about September 7, 2011 you were paid the sum of \$5,666. You are therefore responsible for the return of these sums.

You are additionally responsible for two-thirds of the costs associated with the seizure and liquidation of the previously-awarded assets pursuant to the now-vacated judgment, including the following: \$8,930 identified in the Lowe accounting, \$29,688 paid to BMI as interpleader fees, and \$30,593 payable to Patrick Lowe as receiver fees. The sum total of such fees equals \$69,211, two-third's of which equals \$46,140.

In sum, you remain liable for the sum of \$63,384 (\$17,244 + \$46,140). As the successor in interest to the aforementioned interests against you, I hereby make demand for such sum at this time. If you have received additional funds derived from such judgment, I hereby make demand for them as well.

Please forward payment at this time in the amount of \$63,384, at the aforementioned address within the next two weeks, i.e., no later than February 2, 2015. If you require additional time for payment, please communicate your desired schedule and details regarding how such payment may be secured.

Additionally, review of Raul Galaz's records reveals that there has been no response to the letter that was sent to you by Raul Galaz via certified mail on May 11, 2011, wherein he requested a variety of information relating to Artist Rights Foundation, LLC. I hereby renew that request for information, which was as follows.

Pursuant to California Corporations Code section 17106, and Nevada Revised Statutes section 86.241(3), please produce the following information at this time, in writing, relating to Artist Rights Foundation LLC:

- (1) A current list of the full name and last known business or residence address of each member and of each holder of an economic interest in the limited liability company set forth in alphabetical order, together with the contribution and the share in profits and losses of each member and holder of an economic interest. Please note that, pursuant to both California and Nevada statutes, addresses must be an actual physical address of residence or operation, and neither a post office box or private mail box.
- (2) A current list of the full name and business or residence address of each manager.
- (3) A copy of the articles of organization and all amendments thereto, together with any powers of attorney pursuant to which the articles of organization or any amendments thereto were executed.
- (4) Copies of the limited liability company's federal, state, and local income tax or information returns and reports, if any, for the six most recent taxable years.
- (5) Copies of any operating agreement of the company.
- (6) True and complete records regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each member and which each member has agreed to contribute in the future, and the date on which each became a member.
- (7) Complete records regarding the activities and the status of the business and financial condition of the company, including but not limited to all income that has been received from all sources, all expenditures made on behalf of the company, and a description of all actions that are being taken in order to exploit rights currently held by Artist Rights Foundation LLC against the following persons or entities:

- Warner/Chappell Music
- Heirs of Patricia Middlebrooks
- Heirs of Clarence Satchell
- James Rodger Williams
- Leroy Bonner
- Marshall Jones
- Marvin Pierce

Please make note that significant consequences exist for the failure to promptly provide this information. If the foregoing information cannot be provided within one week, please identify at this time when such information will be made available.

Sincerely,



Alfred Galaz

1
2 **PROOF OF SERVICE**

3 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

4 I am employed in the County of Los Angeles, State of California. I am over the age of
5 eighteen years and not a party to the within action. My business address is 1533 Wilshire
Boulevard, Los Angeles, California 90017

6 On July 18, 2017. I served the following document(s) described as:

- 7 • **DECLARATION OF RYAN T. GALAZ IN SUPPORT OF RTG, LLC'S REQUEST**
8 **FOR ENTRY OF DEFAULT JUDGMENT**

9 To the interested parties in this action by placing true copies thereof enclosed in sealed envelopes
addressed as follows:

10 JULIAN JACKSON
11 4712 ADMIRALTY WAY, #593
MARINA DEL REY, CA 90292

- 12 ☐ BY FIRST CLASS MAIL: I am readily familiar with the companies' practice of
13 collection and processing correspondence for mailing. Under that practice it would be
14 deposited with the U.S. postal service on that same day with postage thereon fully prepaid
15 at Los Angeles, California in the ordinary course of business pursuant to Code of Civil
Procedure Section 1013(a). I am aware that on motion of the party served, service is
presumed invalid if postal cancellation date or postage meter date is more than one day
after date of deposit for mailing in affidavit.
- 16 ☐ BY FACSIMILE: I served said document(s) to be transmitted by facsimile pursuant to
17 Rule 415.30 of the California Rules of Court. The telephone number of the sending
18 facsimile machine was (213) 413-7201. The name(s) and facsimile machine telephone
19 number(s) of the person(s) served are set forth in the service list. The sending facsimile
20 machine issued a transmission report confirming that the transmission was complete and
21 without error.
- 22 ☐ BY EXPRESS MAIL: I caused said document(s) to be deposited in a box or other facility
23 regularly maintained by the express service carrier providing overnight delivery pursuant
24 to Code of Civil Procedure Section 1013(c).
- 25 ☒ BY PERSONAL SERVICE: I caused said document(s) to the addressee(s) pursuant to
26 Code of Civil Procedure Section 1011.
27
28

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

6
7
8
9
10
11
12

22

25

25

ORIGINAL

PICK & BOYDSTON, LLP
BRIAN D. BOYDSTON, ESQ., CA Bar No. 155614
Brianb@ix.netcom.com
10786 Le Conte Ave.
Los Angeles, California 90024
Telephone: (213) 624-1996

Attorneys for Plaintiff RTG, LLC

FILED
Superior Court of California
County of Los Angeles
OCT 23 2017
Sherri B. Carter, Executive Officer/Clerk
By S. Temblador Deputy
Steve Temblador

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

RTG, LLC, a Florida Limited Liability
Company,

Plaintiff,

v.

JULIAN JACKSON, an individual, and
DOES 1 through 10, inclusive,

Defendants.

CASE NO. BC655159

Hon. Ernest M. Hiroshige

**DECLARATION OF RYAN T.
GALAZ IN SUPPORT OF RTG,
LLC'S REQUEST FOR ENTRY OF
DEFAULT JUDGMENT**

Dept. 54

Complaint filed: March 23, 2017

10/27/2017

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

[illegible]

3
4
5
6

7
8
9
0
1

2
3
4
5
6
7
8
9
20
21
22
23
24

25
26

27
28

1 furtherance of collection efforts on the now invalid BCWD judgment, despite the
2 fact that Jackson is fully aware of the ruling by the Fifth Circuit Court of Appeal
3 and demand for return of the monies has been made on him. See **Exhibit J**.

4 6. In January 2015, SSL transferred its rights against Jackson to Alfred
5 Galaz. On October 3, 2016, Alfred Galaz transferred those same rights against
6 Jackson to Plaintiff, RTG, LLC.

7 7. Plaintiff is, and at all times mentioned herein was, a Florida limited
8 liability company with a principle place of business in the State of Florida, in the
9 County of Miami-Dade.

10 8. Plaintiff is informed and believes that Defendant Jackson is, and at all
11 times mentioned herein was, a resident of the State of California, in the County of
12 Los Angeles.

13 9. Jackson converted Plaintiff's money to his own purposes, specifically
14 by receiving \$17,244 pursuant to the BCWD judgment which was later overturned
15 on appeal, and causing SSL to incur and pay \$69,211 in fees and costs in
16 connection with enforcing the BCWD judgment, and then refusing to return such
17 monies after the BCWD judgment was overturned by the Fifth Circuit Court of
18 Appeal.


19 10. As a direct and proximate result of said conversion and the wrongful
20 acts alleged herein, Plaintiff has suffered damages in the amount of \$17,244, plus
21 \$46,140 (two thirds of \$69,211), for a total of \$63,384.

22 11. Jackson became indebted to SSL for money had and received from
23 the assets of SSL, Plaintiff's predecessor in interest, in the amount of \$63,384, and
24 such monies belong to Plaintiff as SSL's successor in interest.

25 12. Neither the whole nor any part of the above sum has been paid,
26 notwithstanding that demand therefore has been made, and there is now due and
27
28

1 unpaid from Jackson to Plaintiff, as SSL's successor in interest, the sum of
2 \$63,384.

3 I declare under penalty of perjury under the laws of the State of California
4 that the foregoing is true and correct. Executed this 12th day of August, 2017, at
5 Cambridge, Massachusetts

6
7 

8 Ryan T. Galaz
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

10/27/2017

10/27/2017



The relief described hereinbelow is SO ORDERED.

Signed November 12, 2010.

Ronald B. King
Ronald B. King

Ronald B. King

United States Chief Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

IN RE:

LISA ANN GALAZ,

DEBTOR

LISA ANN GALAZ.

VS.

RAUL GALAZ, ALFREDO GALAZ,
SEGUNDO SUEÑOS, LLC

CASE No. 07-53287-RBK

CHAPTER 13

ADVERSARY NO. 08-5043-RBK

JUDGMENT

On February 22, 2010, came on to be heard the above-styled adversary proceeding for trial on the merits. The parties, Lisa Galaz, Raul Galaz, Alfredo Galaz, Segundo Suenos, LLC, and Julian Jackson appeared and announced ready. After hearing the evidence and argument of the parties, the Court is of the opinion that judgment should be rendered in favor of Lisa Galaz and Julian Jackson against Raul Galaz, Alfredo Galaz, and Segundo Suenos, LLC, as provided in the decretal portions

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----

App 235

of this Judgment, for the reasons stated in the Opinion rendered contemporaneously herewith pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure.

It is, therefore, **ORDERED, ADJUDGED, AND DECREED** that Plaintiff, Lisa Galaz, recover the amount of \$500,000 of and from Raul Galaz and Segundo Suenos, LLC, jointly and severally; \$250,000 as actual damages, plus the sum of \$250,000 as exemplary damages, for a total of \$500,000.

It is further **ORDERED, ADJUDGED, AND DECREED** that Julian Jackson recover the amount of \$1,000,000 of and from Raul Galaz and Segundo Suenos, LLC, jointly and severally; \$500,000 as actual damages, plus the sum of \$500,000 as exemplary damages, for a total of \$1,000,000.

It is further **ORDERED, ADJUDGED, AND DECREED** that all royalty and other rights to the music of the Ohio Players previously owned by Artist Rights Foundation, LLC, or Segundo Suenos, LLC, shall be owned 50 percent by Julian Jackson; 25 percent by Lisa Galaz; and 25 percent by Raul Galaz, as an economic interest only; provided, however, that all proceeds attributable to Raul Galaz's 25 percent share shall be paid to Jackson and Lisa Galaz until their actual and exemplary damages awarded in this Judgment are satisfied.

It is further **ORDERED, ADJUDGED, AND DECREED** that the preliminary injunction previously granted on May 9, 2008, in this adversary proceeding will be made permanent. Defendants, Raul Galaz, Alfredo Galaz, and Segundo Suenos, LLC, are **ORDERED** not to spend, dissipate or transfer any funds or assets of Segundo Suenos, LLC. In addition, Defendants are **ORDERED**, within ten days, to turn over all such assets, records, and evidence of their ownership to Julian Jackson and Lisa Galaz as co-owners of the royalties and other assets. The Court also hereby **ORDERS** Raul Galaz,

Segundo Suenos, Alfredo Carlos Galaz, and anyone acting in active concert with any of them with knowledge of this Preliminary Injunction not to dismiss, compromise, settle, assign, or in any way prejudice any of the rights, claims or litigation of Segundo Suenos, including specifically (but without limitation) any right or claim asserted by Segundo Suenos in any of the following civil actions:

1. Case No. BC366409; *Segundo Suenos, LLC v. Warner-Chappell Music, Inc. et al.*, in the Superior Court of the State of California, County of Los Angeles, Central Division.
2. Case No. BC358422 and/or BC355571; *Segundo Suenos, LLC v. Tracy Draper et al. and/or Ray Gaddis, et al.*, in the Superior Court of the State of California, County of Los Angeles, Central Division.

The rights, claims, litigation, and all records thereof shall be turned over to Lisa Galaz and Julian Jackson. Any failure to comply with this Judgment will be punishable by contempt.

Costs of court are taxed against Raul Galaz, for which execution shall issue. Lisa Galaz is awarded attorney's fees for a successful action under TUFTA. TEX. BUS. & COMM. CODE § 24.013. Lisa Galaz's attorneys may submit a postjudgment affidavit concerning attorney's fees within fourteen days.

Any relief not specifically granted herein is denied.

###

10/27/2017

EXHIBIT B



The relief described hereinbelow is SO ORDERED.

Signed January 19, 2011.

Ronald B. King
United States Chief Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

IN RE:

LISA ANN GALAZ,

Debtor.

§
§
§
§
§

Case No. 07-53287 rbk

(Chapter 13)

LISA GALAZ,

Plaintiff,

v.

SEGUNDO SUENOS, LLC,
ALFREDO GALAZ, and RAUL GALAZ,

Defendants.

§
§
§
§
§
§
§
§
§
§

Adversary No. 08-05043-rbk

ORDER FOR TURNOVER OF PROPERTY

ORDER FOR TURNOVER:

10/27/2017

On January 4, 2011, the Court held an evidentiary hearing and considered the post-judgment Motion of Lisa Galaz for Turnover of Assets and/or for Writ of Execution. The Court hereby grants the Motion, and **ORDERS, ADJUDGES, AND DECREES** as follows.

1. John Patrick Lowe is hereby appointed as a Receiver to receive, manage, collect, and/or sell the property described more fully below in this Order for the benefit of Lisa Galaz and Julian Jackson, the judgment creditors under the Judgment in this Adversary Proceeding signed on November 12, 2010 (below, the "Judgment"). The Receiver is hereby given all of the authority provided by law as a receiver under Section 31.002 of the Texas Civil Practice and Remedies Code and/or all authority delegable by this Court to a Receiver for collection and enforcement of its judgments.

2. Whenever in this Order the Court refers to the Receiver paying money over to Lisa Galaz, the payment should be made to the Chapter 13 trustee of her bankruptcy estate pending further order of this Court. Whenever in this Order the Court refers to the Receiver paying money over to Julian Jackson, the payment should be made directly to Julian Jackson.

3. Lisa Galaz shall have and recover from Raul Galaz and Segundo Suenos, LLC, jointly and severally, the sum of \$1,500.00 as a reasonable fee for the necessary legal services of her counsel in preparing and presenting the Motion for Turnover Relief in this Court.

4. Segundo Suenos, LLC and Raul Galaz shall immediately turn over to the Receiver the 2006 Hummer LL motor vehicle with vehicle identification number 5GRGN22U56H118243 (the "Hummer") along with the original certificate of title for the

Hummer. The lien claimed by Raul Galaz on the Texas certificate of title for the Hummer is hereby transferred to the Receiver along with the debt claimed by Raul Galaz to be secured by that lien. The title to the Hummer and the lien claimed by Raul Galaz are hereby merged into the Receiver. The Receiver is authorized to apply for and obtain a certificate of title removing the lien claimed by Raul Galaz and to sell the Hummer and to deliver title to the Hummer to a buyer free and clear of any and all liens. The Receiver is directed to take possession of the Hummer and to sell it in a commercially reasonable manner and to pay the net sale proceeds to Julian Jackson and to Lisa Galaz as their interests appear in the Judgment. "Net sale proceeds," as used in this Order, means the sale proceeds remaining after deduction Court approved for sale expenses and the Receiver's fee for services. As provided in paragraph 11 below, the Receiver's approved fees and expenses for his services in selling the Hummer are costs of Court assessed against Raul Galaz and Segundo Suenos, LLC jointly and severally for which execution shall issue as necessary:

5. Segundo Suenos and Raul Galaz shall immediately turn over to the Receiver possession and custody of the Equipment – *i.e.*, the computers, monitors, keyboards, and computer mice – described by the Order Granting Debtor's Motion for Turnover in re Jon Philip Monson, II (or John Philip Monson or John Munson) in Case No. 3:09-bk-07291-PMG signed on August 11, 2010, in the United States Bankruptcy Court for the Jacksonville Division of the Middle District of Florida (the "Monson Bankruptcy"). The Receiver shall receive the Equipment subject to the automatic stay and any orders pertaining to the Equipment in that pending bankruptcy case. The

Receiver is hereby authorized to maintain possession and custody of the Equipment and/or to sell the Equipment as described more fully below in this Order.

6. Ownership of the claims and causes of action by Segundo Suenos against Jon Philip Monson, II in adversary proceeding nos. 3:09-ap-00614-PMG and 3:10-ap-00228-PMG (both styled Segundo Suenos, LLC, plaintiff v. Jon Philip Monson, II, defendant) in the Monson Bankruptcy is hereby transferred to the Receiver. References in this Order to "Monson" mean the debtor in that bankruptcy case and the defendant in those adversary proceedings, whether he is know as "Monson" or "Munson." Segundo Suenos is hereby directed to turn over to the Receiver all of its records supporting and/or relating to the claims and causes of action in those two adversary proceedings. The Receiver is hereby authorized to communicate with counsel for Segundo Suenos in those adversary proceedings under, subject to, and preserving the attorney-client and work product privileges. The Receiver is hereby authorized to analyze the merit of those claims and causes of action by Segundo Suenos against Monson, and to determine and decide in the sole discretion of the Receiver whether it is in the best interests of Lisa Galaz and Julian Jackson in collecting on the Judgment to sell the claims and causes of action, or to continue to prosecute the claims and causes of action in an effort to obtain and collect a settlement or judgment in the adversary proceedings against Monson. If the Receiver determines that it is in the best interests of Lisa Galaz and Julian Jackson to sell the claims and causes of action against Monson for a cash sale, the Receiver is hereby authorized to sell those claims and causes of action in a commercially reasonable manner and to pay the net sale proceeds to Julian Jackson and to Lisa Galaz according to their interests in the Judgment. The approved fees and expenses of the Receiver in selling the

claims and causes of action against Monson or in maintaining ownership and control of those claims and causes of action are costs of Court assessed against Raul Galaz and Segundo Suenos, LLC jointly and severally for which execution shall issue as necessary for collection. If the Receiver determines that it is in the best interest of Julian Jackson and Lisa Galaz in maximizing their collection of the Judgment for the Receiver to maintain ownership and control of the claims and causes of action to continue to try to obtain and collect a judgment against Monson, the Receiver is authorized to maintain ownership of the claims and causes of action for that purpose.

7. Segundo Suenos has contended that some or all the Equipment described in paragraph 5 above is useful and necessary as evidence for proving the claims and causes of action against Monson described in paragraph 6 above. The Receiver is hereby authorized and directed to evaluate the merit of that contention. If the Receiver in his sole discretion determines that it is not useful and efficient for the best interests of Julian Jackson and Lisa Galaz in maximizing their collection of the Judgment for the Receiver to maintain possession and custody of the Equipment for use as evidence for proving the claims and causes of action described in paragraph 6 above, the Receiver is hereby authorized to sell the Equipment in a commercially reasonable manner and to pay the net sale proceeds to Julian Jackson and to Lisa Galaz according to their interests under the Judgment. If the Receiver in his sole discretion determines that it is useful and efficient for the best interests of Julian Jackson and Lisa Galaz in maximizing the collection of the Judgment to maintain possession and custody of the Equipment as evidence, the Receiver is hereby authorized to maintain possession and custody of the Equipment for that purpose for so long as it is useful and efficient to do so, and thereafter to sell the

10/27/2017

Equipment in a commercially reasonable manner and to pay the net sale proceeds to Julian Jackson and to Lisa Galaz according to their interests in the Judgment. The approved fees and expenses of the Receiver in selling the Equipment or in maintaining possession and custody of the Equipment are costs of Court for which execution shall issue as necessary for collection.

8. The Receiver is hereby authorized and directed to serve as the collecting agent for Julian Jackson and Lisa Galaz (and her Chapter 13 bankruptcy estate) for the rights and royalties of the musical works of the Ohio Players awarded to Julian Jackson and Lisa Galaz the Judgment. The Receiver is hereby authorized and directed to contact any and all collecting societies or agencies (including, without limitation, BMI, UMG, ASCAP, Bug Music, Warner-Chappell, and Bridgeport Music) and other persons holding or receiving any revenues or royalties from the rights to the musical works of the Ohio Players to instruct them to pay over to the Receiver all rights and royalties from the musical works of the Ohio Players to which Lisa Galaz and Julian Jackson are entitled under the Judgment. The Receiver is hereby authorized to receive and collect such rights and royalties and to pay the net amounts received and collected – *i.e.*, after reasonable expenses and the Receiver's fee – to Julian Jackson and Lisa Galaz according to their interests in the Judgment.

9. The Receiver shall be required to post a bond in the amount of \$ 1,000.00.

10. The Receiver shall make periodic reports to the Court and the parties on the status of the Receiver's performance of duties under this Order.

11. The Receiver shall apply to the Court for approval and payment of his fees and expenses. The Receiver shall be compensated for his services by fees for his time at

the hourly rate of \$350.00 and shall be reimbursed reasonable expenses out of money collected by the Receiver in performing services under this Order or as an administrative expense of the Estate. However, the approved fees and expenses of the Receiver shall be costs of Court for which Raul Galaz and Segundo Suenos are jointly and severally liable and for which execution shall issue as necessary for collection. Under the Judgment, all proceeds attributable to Raul Galaz's 25% economic interest in the royalties and rights to the music of the Ohio Players are paid to Lisa Galaz and Julian Jackson until the Judgment is satisfied. Therefore, Raul Galaz's 25% economic interest in the royalties and rights to the music of the Ohio Players shall be charged with payment of the costs of Court attributable to the fees and expenses of the Receiver, and execution shall issue as necessary for collection of such costs.

12. The Receiver is hereby authorized to seek additional orders from Court as necessary to perform his duties under this Order.

###

Order submitted by:

BINGHAM & LEA, P.C.
319 Maverick Street
San Antonio, Texas 78212
(210) 224-1819 Telephone
(210) 224-0141 Facsimile
ben@binghamandlea.com
royal@binghamandlea.com

BY: /s/ Royal B. Lea, III
BENJAMIN R. BINGHAM
State Bar No. 02322350
ROYAL B. LEA, III
State Bar No. 12069680

10/27/2017 SPECIAL COUNSEL FOR PLAINTIFF / DEBTOR, LISA GALAZ

ORDER FOR TURNOVER

10/27/2017



The relief described hereinbelow is SO ORDERED.

Signed May 03, 2012.

Ronald B. King

Ronald B. King

United States Chief Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

IN RE:

LISA ANN GALAZ,

Debtor

**JOHN PATRICK LOWE, RECEIVER,
Plaintiff**

V.

**BROADCAST MUSIC, INC.,
Defendant**

CASE NO. 07-53287-KING

CHAPTER 13

ADV. PRO. NO. 11-5024-KING

ORDER GRANTING MOTION FOR WITHDRAWAL OF FUNDS FROM THE REGISTRY OF THE COURT

CAME on this day to be considered Motion for Withdrawal of Funds from the Registry of the Court and it appearing to the Court that said Motion should be granted as no adverse interest appearing, the Court hereby enters the following Order to assist the Clerk of the Court in proper disbursement of funds currently in escrow with the Court in connection with this adversary proceeding.

It is therefore ^{found}

here

ORDERED that the Financial Institution Bank of America currently holding funds in the Registry of the Court shall disburse all funds payable as follows:

PAYEE: John Patrick Lowe

AMOUNT: \$30,593.96 (fees in the amount of \$29,995.00 and expenses in the amount of \$598.96) LESS AN APPLICABLE REGISTRY ASSESSMENT FEE OF THE TOTAL INTEREST ACCRUED, PAYABLE TO THE CLERK, U.S. BANKRUPTCY COURT

TAX ID/SSN: To be provided on the Registry Fund Confidential Personal Identification Attachment.

PAYEE'S ADDRESS: Dodson & Lowe
318 East Nopal Street
Uvalde, TX 78801

###

10/27/2017

10/27/2017



The relief described hereinbelow is SO ORDERED.

Signed November 21, 2011.

Ronald B. King
Ronald B. King

United States Chief Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

IN RE:

LISA ANN GALAZ,

DEBTOR

JOHN PATRICK LOWE, RECEIVER

VS.

BROADCAST MUSIC, INC.

CASE NO. 07-53287-RBK

CHAPTER 13

ADVERSARY NO. 11-5024-RBK

AMENDED ORDER GRANTING MOTION FOR
WITHDRAWAL OF FUNDS FROM THE REGISTRY OF THE COURT

On this day came on for review the docket sheet in the above-referenced adversary proceeding, and it appears to the Court that this Court's previous "Order [of November 16, 2011] Granting Motion for Withdrawal of Funds from the Registry of the Court" (Court document #78) should be amended.

10/27/2017

App. 250

It is, therefore, **ORDERED, ADJUDGED, AND DECREED** that the Financial Institution of *Bank of America*, which is currently holding funds in the Registry of the Court, shall disburse all funds payable as follows:

Payee: BROADCAST MUSIC, INC.

Amount: \$29,688.38, plus 100% of the total accrued interest LESS AN APPLICABLE REGISTRY ASSESSMENT FEE OF THE TOTAL INTEREST ACCRUED, PAYABLE TO THE CLERK OF THE COURT, UNITED STATES BANKRUPTCY COURT.

Tax ID/SNN: *To be provided on the Registry Fund Confidential Personal Identification Attachment.*

Payee's Address: *c/o Trent L. Rosenthal, Beirne, Maynard & Parsons, LLP*
1300 Post Oak Boulevard, Suite 2500
Houston, Texas 77056

#

10/27/2017

253

WHEREFORE, premises considered, the Receiver requests that the Court enter an Order as requested above, and for such other and further relief, as is just.

DATED: February 15, 2012.

Respectfully submitted,



John Patrick Lowe, Receiver
State Bar No. 12623700
318 East Nopal
Uvalde, Texas 78801
(830) 278-4471
(830) 278-6347 (fax)
Email: johnplowe@sbcglobal.net

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above and foregoing Resignation, Accounting and Request for Discharge, has been served on the following parties, by the CM/ECF system; or by electronic mail on this the 15th day of February 2012:

PLAINTIFF/DEBTOR:

Lisa Galaz
By email to: lkatona19@aol.com

ATTORNEY FOR PLAINTIFF/DEBTOR:

Royal B. Lea, III
By email to: Royal@binghamandlea.com

ATTORNEY FOR DEFENDANTS:

J. Scott Rose
By email to: srose@jw.com

Raul Galaz
By email to: raulgalaz1@aol.com

Julian Jackson
By email to: J@artistrightsfoundation.com

ACCOUNTANT:

Jennifer L. Rothe
By email to: jrothe@hondo.net



Patrick Lowe

10/27/2017

FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Page: 1

Case No: 08-05043 -RBK
Case Name: GALAZ, LISA ANN (RECEIVERSHIP)

Trustee Name: John Patrick Lowe
Bank Name: BANK OF AMERICA, N.A.
Account Number / CD #: *****3016 Money Market Account (Interest Earn

Taxpayer ID No: *****5650
For Period Ending: 02/15/12

Blanket Bond (per case limit): \$ 0.00
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account / CD Balance (\$)
04/25/11		Al Galaz	PER ORDER SIGNED 04/18/11		2,500.00		2,500.00
05/04/11		Bug Music, Inc.	ROYALTY PAYMENTS		8,518.61		11,018.61
05/31/11	1	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.08		11,018.69
06/06/11		Mel Davis Escrow Account	NET PROCEEDS - SALE OF HUMMER		17,367.39		28,386.08
		MEL DAVIS	Memo Amount: 19,500.00				
		MEL DAVIS	Memo Amount: (1,950.00)				
			BROKER'S COMMISSION				
		MEL DAVIS	Memo Amount: (182.61)				
			BROKER'S EXPENSES				
			BREAKDOWN: \$75.00 TRANSPORT; \$107.61				
			ADVERTISING.				
06/17/11	000101	MARY K. VIEGELAHN CHAPTER 13 TRUSTEE	PER ORDER SIGNED 01/19/11 IN ADV. PRO. NO. 08-5043K; 1/3 OF THE NET SALES PROCEEDS - HUMMER			5,789.13	22,596.95
06/17/11	000102	JULIAN JACKSON	PER ORDER SIGNED 01/19/11 ADV. PRO. NO. 08-5043K; 2/3 OF THE NET SALES PROCEEDS - HUMMER			11,578.26	11,018.69
06/30/11	1	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.16		11,018.85
07/29/11	1	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.09		11,018.94
08/31/11	1	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.10		11,019.04
09/06/11		Mel Davis Escrow Account	PER ORDER SIGNED 08/28/11-COMPUTERS		6,000.00		17,019.04
09/07/11	000103	MARY K. VIEGELAHN CHAPTER 13 TRUSTEE	PER ORDER SIGNED 01/19/11 IN ADV. PRO. NO. 08-5043K; 1/3 OF LIQUIDATION PROCEEDS - MONSON CLAIMS (\$2,500.00) AND COMPUTERS/EQUIPMENT (\$6,000.00)			2,833.33	14,185.71
09/07/11	000104	JULIAN JACKSON	PER ORDER SIGNED 01/19/11 ADV. PRO. NO. 08-5043K; 2/3 OF LIQUIDATION PROCEEDS - MONSON CLAIMS (\$2,500.00) AND COMPUTERS/EQUIPMENT (\$6,000.00)			5,666.67	8,519.04
09/30/11	1	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.09		8,519.13

Page Subtotals 34,386.52 25,867.39

LF03424

Ver: 16.05c

10/27/2017

FORM 2
ESTATE CASE RECEIPTS AND DISBURSEMENTS RECORD

Page: 2

Case No: 08-05043 -RBK
Case Name: GALAZ, LISA ANN (RECEIVERSHIP)

Trustee Name: John Patrick Lowe
Bank Name: BANK OF AMERICA, N.A.
Account Number / CD #: *****3016 Money Market Account (Interest Earn

Taxpayer ID No: *****5650
For Period Ending: 02/15/12

Blanket Bond (per case limit): \$ 0.00
Separate Bond (if applicable):

1	2	3	4	5	6	7	
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account / CD Balance (\$)
10/31/11	1	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.07		8,519.20
10/31/11		BANK OF AMERICA, N.A.	BANK SERVICE FEE	2600-000		10.85	8,508.35
11/30/11	1	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.07		8,508.42
11/30/11		BANK OF AMERICA, N.A.	BANK SERVICE FEE	2600-000		10.49	8,497.93
12/29/11		Clerk, U.S. Bankruptcy Court Western District of Texas	FUNDS FROM REGISTRY OF THE COURT		118,071.63		126,569.56
12/30/11	1	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.16		126,569.72
12/30/11		BANK OF AMERICA, N.A.	BANK SERVICE FEE	2600-000		20.18	126,549.54
01/03/12	000105	INTERNATIONAL SURETIES, I.TD. 701 POYDRAS STREET, SUITE 420 NEW ORLEANS, LA 70139	BOND PREMIUM - BOND #016042004 TERM: 01/19/12 - 01/19/13	2300-000		100.00	126,449.54
01/31/12	1	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	1.08		126,450.62
01/31/12		BANK OF AMERICA, N.A.	BANK SERVICE FEE	2600-000		165.86	126,284.76
02/08/12		Jon Phillip Monson II	PER ORDER AUTHORIZING SALE		2,000.00		128,284.76

Memo Allocation Receipts: 19,500.00
Memo Allocation Disbursements: 2,132.61
Memo Allocation Net: 17,367.39

COLUMN TOTALS 154,459.53 26,174.77 128,284.76
Less: Bank Transfers/CD's 0.00 0.00
Subtotal 154,459.53 26,174.77
Less: Payments to Debtors 0.00
Net 154,459.53 26,174.77

Total Allocation Receipts: 19,500.00
Total Allocation Disbursements: 2,132.61
Total Memo Allocation Net: 17,367.39

TOTAL - ALL ACCOUNTS NET DEPOSITS NET DISBURSEMENTS ACCOUNT BALANCE
Money Market Account (Interest Earn - *****3016 154,459.53 26,174.77 128,284.76
154,459.53 26,174.77 128,284.76
(Excludes Account Transfers) (Excludes Payments To Debtors) Total Funds On Hand

Page Subtotals 120,073.01 307.38

Ver: 16.05c

LF000001

10/27/2017

FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Page: 3

Case No: 08-05043 -RBK
Case Name: GALAZ, LISA ANN (RECEIVERSHIP)

Trustee Name: John Patrick Lowe
Bank Name: BANK OF AMERICA, N.A.
Account Number / CD #: *****3016 Money Market Account (Interest Earn

Taxpayer ID No: *****5650
For Period Ending: 02/15/12

Blanket Bond (per case limit): \$ 0.00
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Trans. Code	Deposits (\$)	Disbursements (\$)	Account / CD Balance (\$)

Page Subtotals

0.00

0.00

Ver: 16.05c

L702402

10/27/2017

10/27/2017

FEES PAID icw JUDGMENT for Lisa Ann Galaz v. Raul Galaz, et al.

Adversary Proceedin g Case No.	Date	Docket No.	Amount
11-05024	11/22/11	82	\$ 29,688
11-05024	05/03/12	90	\$ 30,594
08-05043	06/17/11	449	\$ 5,789
08-05043	09/07/11	449	\$ 2,833
08-05043	10/31/11	449	\$ 11
08-05043	11/30/11	449	\$ 10
08-05043	12/30/11	449	\$ 20
08-05043	01/03/12	449	\$ 100
08-05043	01/31/12	449	\$ 165
			\$ 69,211
			\$ 46,140

10/27/2017

FEES PAID icw JUDGMENT for Lisa Ann Galaz v. Raul Galaz, et al.

Description
Interpleader fees paid to Broadcast Music, Inc.
Receiver fees paid to John Patrick Lowe
Fees paid to Chapter 13 trustee
Fees paid to Chapter 13 trustee
TOTAL
Two-thirds of TOTAL

10/27/2017

10/27/2017

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 13-50781
c/w 13-50783

United States Court of Appeals
Fifth Circuit

FILED

August 25, 2014

Lyle W. Cayce
Clerk

In the Matter of: LISA ANN GALAZ,

Debtor

RAUL GALAZ; SEGUNDO SUENOS, L.L.C.,

Appellants

v.

LISA ANN GALAZ; JULIAN JACKSON,

Appellees

Appeals from the United States District Court
for the Western District of Texas

Before HIGGINBOTHAM, JONES, and PRADO, Circuit Judges.

EDITH H. JONES, Circuit Judge:

Appellants Raul Galaz and Segundo Suenos, L.L.C.¹ appeal two judgments entered by the district court, acting in its appellate capacity, that affirmed the entry of final judgment and award of damages by a bankruptcy court for debtor Lisa Ann Galaz and third-party Julian Jackson. Because

¹ Although not apparent from the record, "Segundo Suenos" was most likely formed with the intention of reading "Segundo Sueños," which is Spanish for "Second Dreams." This opinion will use the spelling used by the entity itself.

10/27/2017

EG

No. 13-50781
Cons. w/ No. 13-50783

rapidly evolving case law has limited bankruptcy courts' jurisdiction, we must vacate and remand with separate instructions for each judgment creditor.

BACKGROUND

Lisa filed an adversary proceeding in bankruptcy court against her ex-husband, Raul, for fraudulently transferring the assets of Artist Rights Foundation, LLC ("ARF") to a Texas limited liability company managed by Raul's father. Raul, a former California attorney,² founded ARF in 1998 as a California limited liability company with Julian, a music producer, in order to collect royalties for the music of the Ohio Players, a former funk band. Raul and Julian secured all rights to the Ohio Players' music catalogue and exploited those rights, but from 1998 until 2005 the rights did not generate any revenue. In May 2002, Lisa and Raul divorced and executed a divorce decree under which Raul assigned half of his 50% interest in ARF to Lisa. Because Raul transferred half of his interest to Lisa without Julian's consent, in violation of ARF's written operating agreement ("Operating Agreement"), Lisa received a 25% economic interest in ARF with no management or voting rights.

On June 3, 2005, without obtaining prior consent from either Lisa or Julian, Raul assigned all of ARF's rights to the entity Segundo Suenos. At the time of the transfer, Segundo Suenos was not organized as a business entity under the laws of any state. Three months later, Raul assisted his father, Alfredo Galaz, in filing the necessary documents to establish Segundo Suenos, L.L.C. ("Segundo Suenos") within the state of Texas. Shortly thereafter, the royalties for the Ohio Players' music began to generate a substantial amount of revenue. From the time of ARF's transfer in June 2005 until trial in February 2010, Segundo Suenos's gross revenue from the Ohio Players'

² Raul resigned from the California bar in 2002 after pleading guilty to mail fraud.

No. 13-50781
Cons. w/ No. 13-50783

royalties totaled nearly one million dollars. Neither Julian nor Lisa received any share of the profits despite their interests in ARF.

In 2007, Lisa filed for Chapter 13 bankruptcy. In April 2008 she brought an adversary proceeding against Raul, Alfredo, and Segundo Suenos ("Defendants"), asserting claims under 11 U.S.C. §§ 542, 544, 548 and the Texas Uniform Fraudulent Transfer Act ("TUFTA"), and asserted that Raul, as a managing member of ARF, breached his fiduciary duties to Lisa when he transferred ARF's assets to Segundo Suenos. Defendants filed a third-party complaint against Julian, who in turn asserted seven counterclaims against Defendants, including breach of fiduciary duty and fraudulent conversion.³ After a five-day bench trial, the bankruptcy court found that the transfer of assets from ARF to Segundo Suenos was invalid, that it constituted a fraudulent transfer under TUFTA, that Raul owed fiduciary duties to Julian and had breached those duties, and that Raul owed no fiduciary duties to Lisa. The court entered judgment for Lisa and Julian, awarding Lisa \$250,000 in actual damages and \$250,000 in exemplary damages, and awarding Julian \$500,000 in actual damages and \$500,000 in exemplary damages. Raul and Segundo Suenos appealed the judgment to the district court, which affirmed the bankruptcy court's judgment but vacated and remanded the damages awards for further consideration of Segundo Suenos's alleged expenses and for redetermination of both the actual and exemplary damages. On remand, after deducting tax liabilities that ARF incurred from 1998 to 2005, the bankruptcy

³ Julian asserted the following counterclaims: Breach of fiduciary duty, fraudulent conversion, unfair business practices, currency in possession and received, unjust enrichment, non-disclosure of accounting, and perjury. Counterclaim Against Alfredo Galaz, Raul Galaz, Segundo Suenos, LLC, *In re Lisa Ann Galaz*, No. 08-05043 (Bankr. W.D. Tex. November 23, 2009).

No. 13-50781
Cons. w/ No. 13-50783

court awarded Lisa \$241,309.10 in actual damages and \$250,000 in exemplary damages, and awarded Julian \$479,216.95 in actual damages and \$500,000 in exemplary damages. Appellants appealed the judgment, and the district court affirmed.⁴ This timely appeal from the district court followed.⁵

STANDARD OF REVIEW

When reviewing a district court's affirmance of a bankruptcy court's judgment, this court applies "the same standard of review to the bankruptcy court decision that the district court applied." *In re Frazin*, 732 F.3d 313, 317 (5th Cir. 2013) (quoting *In re IFS Fin. Corp.*, 669 F.3d 255, 260 (5th Cir. 2012) (internal quotation marks omitted)), *cert. denied*, 134 S. Ct. 1770 (U.S. 2014). Thus, this court reviews factual findings for clear error and legal conclusions *de novo*. *Id.* See also *In re OCA, Inc.*, 551 F.3d 359, 366 (5th Cir. 2008).

DISCUSSION

A. Subject Matter Jurisdiction

The principal issues in this appeal concern the bankruptcy court's jurisdiction to entertain Lisa's and Julian's claims and the district court's role in reviewing the bankruptcy court's determinations. Appellants contend that Lisa's claims and Julian's counterclaims did not seek recovery of property taken from Lisa's estate and will not have any effect on her bankruptcy case. This court reviews the question of subject matter jurisdiction *de novo*. *In re OCA, Inc.*, 551 F.3d at 366. As will be seen, the case turns on two separate questions, the statutory and constitutional authority of the bankruptcy court. We consider each in turn.

⁴ Alfredo Galaz was not held liable.

⁵ Despite being named as an appellee in this case, Julian did not participate in the proceedings before this court or the district court, even after the district court ordered Julian to file a brief during Appellants' appeal of the damages award.

No. 13-50781
Cons. w/ No. 13-50783

In *Matter of Walker*, this court explained the source of a bankruptcy court's jurisdiction:

Jurisdiction for bankruptcy cases is rooted in the provisions of 18 U.S.C. § 1334. . . . Section 1334 provides that, with one exception, "the district court shall have original and exclusive jurisdiction of all cases under title 11." . . . Through this section, district courts, along with their bankruptcy units, are empowered to hear "cases under title 11" [i.e. the bankruptcy petition itself]. [Additionally,] § 1334(b) gives the district courts original, but not exclusive, jurisdiction over "proceedings arising under title 11"; "proceedings 'arising in' a case under title 11"; and "proceedings 'related to' a case under title 11."

51 F.3d 562, 568 (5th Cir. 1995) (internal citations omitted). Relevant to the analysis here are those cases that are at least "related to" a bankruptcy case.

Although the Bankruptcy Code does not define "related matters," . . . we determined that a matter is related for § 1334 purposes when "the outcome of that proceeding could *conceivably* have any effect on the estate being administered in bankruptcy." As we later more specifically stated, "[a]n action is related to bankruptcy if the outcome could alter the debtor's rights, liabilities, options, or freedom of action (either positively or negatively) and which in any way impacts upon the handling and administration of the bankrupt estate." Conversely, "bankruptcy courts have no jurisdiction over proceedings that have no effect on the debtor."

Id. at 569 (internal citations omitted) (emphasis in original).

As the district court found, a judgment against Appellants could, at least conceivably, increase the size of Lisa's bankruptcy estate. *See In re BP RE, L.P.*, 735 F.3d 279, 282 (5th Cir. 2013) (state law claims brought by debtor against third-party non-creditors were "related to" the bankruptcy case); *Waldman v. Stone*, 698 F.3d 910, 916 (6th Cir. 2012), (bankruptcy court had subject matter jurisdiction over a debtor's state law claims in an adversary

No. 13-50781
Cons. w/ No. 13-50783

proceeding, in part because “a damages award on [the debtor’s] affirmative claims would provide assets for his other creditors”). Lisa’s TUFTA claim, it must be noted, is not the paradigmatic fraudulent conveyance claim in bankruptcy, which “asserts that property that should have been part of the bankruptcy estate and therefore available for distribution to creditors pursuant to Title “was improperly removed.” *Executive Benefits Ins. Agency v. Arkison*, 134 S. Ct. 2165, 2174, 189 L. Ed. 2d 83, 82 U.S.L.W. 4450 (2014). In typical bankruptcy fraudulent conveyance cases, it is the debtor who “removes” property from his estate to prevent its falling into the hands of creditors. Here, Lisa is a victim—in her status as an economic interest holder and therefore a creditor—of Raul’s unauthorized transfer of ARF’s assets. Her state law claim for damages and other relief is against parties who are otherwise uninvolved in the bankruptcy case and exists irrespective of the pendency of the bankruptcy case.⁶

Julian’s counterclaims, in contrast, will not result in any recovery for Lisa, nor will they have any effect on her bankruptcy case. Even in light of the permissive standard for what constitutes matters “related to” bankruptcy, Julian’s counterclaims as a third-party defendant fall short. *See Matter of Walker*, 51 F.3d at 569 (“As several courts have observed, ‘a vast majority of cases find that “related to” jurisdiction is lacking in connection with third-party complaints.”). Because the bankruptcy court lacked subject matter jurisdiction over Julian’s unrelated third-party counterclaims, we must vacate the judgments for Julian.

⁶ As thus characterized, Lisa’s claim could not arise under the Bankruptcy Code itself, 11 U.S.C. § 548, and is not a “core” claim.

No. 13-50781
Cons. w/ No. 13-50783

Appellants also challenge the bankruptcy court's constitutional power to enter final judgment on Lisa's claims. A bankruptcy court may enter final judgment only if the court has both statutory and constitutional authority to do so. *Stern v. Marshall*, 131 S. Ct. 2594, 2608, 180 L. Ed. 2d 475, 79 U.S.L.W. 4564 (2011). A bankruptcy court's statutory authority derives from 28 U.S.C. §157(b)(1), which designates certain matters as "core proceedings" and authorizes a bankruptcy court to determine the matters and enter final judgments. See *Executive Benefits*, 134 S. Ct. at 2171. See also *Waldman*, 698 F.3d at 921-22 ("A core proceeding either invokes a substantive right created by federal bankruptcy law or one which could not exist outside of the bankruptcy." (quoting *Lowenbraun v. Canary*, 453 F.3d 314, 320 (6th Cir. 2006))), *cert denied*, 133 S. Ct. 1604 (2013). As for "non-core" proceedings, 28 U.S.C. § 157(c) authorizes a bankruptcy court either to "submit proposed findings of fact and conclusions of law to the district court," which are reviewed *de novo*, or to enter final judgment with the parties' consent. *Executive Benefits*, 134 S. Ct. at 2172.

While Section 157 gives bankruptcy courts statutory authority to enter final judgment on specific bankruptcy-related claims, "Article III of the Constitution prohibits bankruptcy courts from finally adjudicating certain of those claims." *Id.* at 2168. "Congress may not bypass Article III simply because a proceeding may have *some* bearing on a bankruptcy case; the question is whether the action at issue stems from the bankruptcy itself or would necessarily be resolved in the claims allowance process." *Stern*, 131 S. Ct. at 2618. Thus, "when a debtor pleads an action arising only under state-law, . . . or when the debtor pleads an action that would augment the bankrupt estate, but not 'necessarily be resolved in the claims allowance process[.]' then the bankruptcy court is constitutionally prohibited from

No. 13-50781
Cons. w/ No. 13-50783

entering final judgment.” *Waldman*, 698 F.3d at 919 (quoting *Sterns*, 131 S. Ct. at 2618). *Accord In re BP RE*, 735 F.3d at 285.

The district court treated Lisa’s TUFTA claim as being “related to” the bankruptcy rather than a core bankruptcy claim. We agree with this characterization. The court went on, however, to hold that the bankruptcy court had authority to enter a final judgment based on the Appellants’ implied consent. 28 U.S.C. § 157(c)(2); Bankr. Rule 7012; Memo Op., *Galaz v. Galaz*, No. 11-00425 (W.D. Tex April 17, 2012). This court’s later decisions in *In re Frazin* and *In re BP RE* are at odds with the district court’s consent rationale. Each of these cases holds that according to *Stern*, the parties’ express or implied consent cannot cure the constitutional deficiency that results from circumventing, or diminishing, the Article III structural protections for the federal judiciary. *In re BP RE*, 735 F.3d at 286-87 (relying on *Waldman*, 698 F.3d at 917, 918); *In re Frazin*, 732 F.3d at 319. While the Supreme Court reserved in *Executive Benefits* the issue of the efficacy of consent to support certain final bankruptcy court judgments, *see* 134 S. Ct. at 2170 n.4, the Court has granted certiorari on a case raising that issue. *Wellness Int’l Network Ltd. v. Sharif*, 727 F.3d 751 (7th Cir. 2013), *cert. granted in part*, 134 S. Ct. 2901, 82 U.S.L.W. 3496 (2014). Until the Supreme Court decides, we are bound by controlling circuit precedent.

The failure of the consent rationale does not vitiate the lower courts’ work altogether, however. As the Supreme Court recently held, claims designated for final adjudication in the bankruptcy court as a statutory matter, but prohibited from proceeding in that way as a constitutional matter, may still “proceed as non-core within the meaning of § 157(c).” *Executive Benefits*, 134 S. Ct. at 2173. Because Lisa’s claim is “related to a case under title 11,” 28 U.S.C. § 157(c)(1), the bankruptcy court may still hear it and “submit

No. 13-50781
Cons. w/ No. 13-50783

proposed findings of fact and conclusions of law to the district court for *de novo* review and entry of judgment.” *Executive Benefits*, 134 S. Ct. at 2173. *Id.* at 2174 (holding that the debtor’s fraudulent conveyance claims “fit comfortably within the category of claims governed by § 157(c)(1)” and that the bankruptcy court would have been permitted to submit proposed findings of fact and conclusions of law on such claims). Accordingly, the district court’s judgment on Lisa’s TUFTA claim must be vacated and remanded for *de novo* review of the bankruptcy court’s decision as recommended findings and conclusions.

B. Arbitration

Appellants contend alternatively that the bankruptcy court should have referred Lisa’s claims to arbitration pursuant to an arbitration provision in the ARF Operating Agreement. “[O]nly parties to an arbitration agreement are generally bound by it,” *In re Huffman*, 486 B.R. 343, 354 (Bankr. S.D. Miss. 2013). As the bankruptcy court found, Lisa was not a party to the Operating Agreement. The Operating Agreement’s opening paragraph refers to “parties” as the LLC’s “Members.” Lisa held an only economic interest. While this circuit has recognized a limited set of circumstances in which a nonsignatory may be bound to an arbitration agreement,⁷ there is no argument or evidence suggesting how Lisa, neither a Member nor a party to the LLC, is bound to the arbitration provision. As to Lisa, this argument is meritless.

C. TUFTA Claim

Appellants challenge the district court’s affirmance of the bankruptcy court’s judgment finding liability on Lisa’s TUFTA claim. *See Bankr. Ct. Op.*,

⁷ “Six theories for binding a nonsignatory to an arbitration agreement have been recognized: (a) incorporation by reference; (b) assumption; (c) agency; (d) veil-piercing/alter ego; (e) estoppel; and (f) third-party beneficiary.” *Bridas S.A.P.I.C. v. Gov’t. of Turkmenistan*, 345 F.3d 347, 355-56 (5th Cir. 2003).

No. 13-50781
Cons. w/ No. 13-50783

In re Lisa Ann Galaz, No. 08-05043 (Bankr. W.D. Tex. Nov. 12, 2010). Although the district court will ultimately review this claim *de novo* upon remand, we clarify one legal point as guidance.

TUFTA “aims to prevent debtors from fraudulently placing assets beyond the reach of creditors.” *GE Capital Commercial Inc. v. Worthington Nat’l Bank*, 754 F.3d 297, 302 (5th Cir. 2014). In order to prevail on a TUFTA claim, a plaintiff must prove that (1) she is a “creditor” with a claim against a “debtor”; (2) the debtor transferred assets after, or a short time before, the plaintiff’s claim arose; and (3) the debtor made the transfer with the intent to hinder, delay, or defraud the plaintiff. *Nwokedi v. Unlimited Restoration Specialists, Inc.*, 428 S.W.3d 191, 204-05 (Tex. App.—Houston [1st Dist.] 2014, pet. denied) (citing Tex. Bus. & Com. Code § 24.005(a)(1)). One issue raised here is whether Lisa qualifies as a “creditor” within the meaning of TUFTA. TUFTA defines a creditor as someone who has a “claim”—that is, a “right to payment or property, whether or not the right is reduced to judgment, liquidated, . . . fixed, contingent, matured . . . disputed, undisputed, legal, equitable, [or] secured,” Tex. Bus. & Com. Code §§ 24.002(3), (4)—and defines “debtor” as “a person who is liable on a claim,” *id.* at § 4.002(6).

The bankruptcy court assumed Lisa qualified as a “creditor” under TUFTA, but the district court held that Lisa had standing to assert a TUFTA claim as a creditor because she brought her claim in conjunction with other unliquidated, disputed tort claims that arose at the time ARF’s assets were transferred. While we agree that Lisa qualifies as a creditor, it is more precise to say her status as a creditor turns on whether “she had a right to payment or property that existed at the time of the fraudulent transfer[] or that arose within a reasonable time afterwards.” *Williams v. Performance Diesel, Inc.*, No. 14-00-00063-CV, 2002 WL 596414 at *2 (Tex. App.—Houston [14th Dist.]

No. 13-50781
Cons. w/ No. 13-50783

Apr. 18, 2002, no pet.) (citing Tex. Bus. & Com. Code §§ 24.005(a), 24.006). Because she was an economic interest holder of ARF, which was a creature of California corporate law, she had a right to payment and was entitled to distributions from ARF before it was “dissolved” in December 2006 and Raul transferred the royalty rights. See Cal. Corp. Code § 17001(n) (“‘Economic interest’ means a person’s right to share in the income, gains, losses, deductions, credit, or similar items of, and to receive distributions from, the limited liability company[.]”); *id.* at § 17300 (“[A]n economic interest in a limited liability company constitute[s] personal property of the . . . assignee.”).⁸ Lisa thus had standing to bring such a TUFTA claim against Appellants.⁹

Appellants raise additional arguments challenging the bankruptcy court’s findings on liability, actual damages and punitive damages, but review of these factual issues is not properly before us.

Conclusion

Based on the current state of bankruptcy court jurisdiction, as interpreted by the Supreme Court and this court, we must VACATE and REMAND with instructions to DISMISS the judgment in favor of Julian Jackson, which the bankruptcy court adjudicated without jurisdiction. The

⁸ Title 2.5 of the California Corporations Code, which includes all provisions applying to limited liability companies, was recently repealed, operative January 1, 2014. However, because the relevant events of this case occurred prior to the repeal, Title 2.5 of the Code applies here.

⁹ Raul contends that “an economic interest holder may not bring a suit for fraudulent conveyance under California law,” and relies on *PacLink Communications International v. Superior Court*, 90 Cal. App. 4th 958, 964 (Cal. App. 2d Dist. 2001), for this conclusion. However, *PacLink* does not support Raul’s contention. *PacLink* focuses on the rights, or lack thereof, of shareholders to file individual suits and on the diminution of members’ ownership interests in company assets. Lisa was neither a member nor a shareholder of ARF. She was an economic interest holder. Noticeably absent from *PacLink* is any discussion about the rights of economic interest holders.

No. 13-50781
Cons. w/ No. 13-50783

bankruptcy court's judgment for Lisa Galaz must also be VACATED and REMANDED to the district court for further proceedings. *In re BP Re*, 735 F.3d at 281. The district court, in turn, may refer the case to the bankruptcy court, which may recast its judgment as proposed findings and conclusions, or may otherwise dispose of the case consistent with this opinion.

Judgment VACATED and REMANDED with instructions to DISMISS IN PART; VACATED and REMANDED for further proceedings IN PART.



BILL OF COSTS

NOTE: The Bill of Costs is due in this office within 14 days from the date of the opinion. See FED. R. APP. P. & 5th CIR. R. 39. Untimely bills of costs must be accompanied by a separate motion to file out of time, which the court may deny.

v. No.
The Clerk is requested to tax the following costs against: _____

COSTS TAXABLE UNDER Fed. R. App. P. & 5 th Cir. R. 39	REQUESTED				ALLOWED (If different from amount requested)			
	No. of Copies	Pages Per Copy	Cost per Page*	Total Cost	No. of Documents	Pages per Document	Cost per Page*	Total Cost
Docket Fee (\$450.00)								
Appendix or Record Excerpts								
Appellant's Brief								
Appellee's Brief								
Appellant's Reply Brief								
Other: 								
				Total \$ 	Costs are taxed in the amount of \$ 			

Costs are hereby taxed in the amount of \$ _____ this _____ day of _____

State of _____
County of _____

LYLE W. CAYCE, CLERK

By _____
Deputy Clerk

I, _____, do hereby swear under penalty of perjury that the services for which fees have been charged were incurred in this action and that the services for which fees have been charged were actually and necessarily performed. A copy of this Bill of Costs was this day mailed to opposing counsel, with postage fully prepaid thereon. This _____ day of _____

*SEE REVERSE SIDE FOR RULES
GOVERNING TAXATION OF COSTS

(Signature)
Attorney for _____

10/27/2017

FIFTH CIRCUIT RULE 39

39.1 Taxable Rates. *The cost of reproducing necessary copies of the brief, appendices, or record excerpts shall be taxed at a rate not higher than \$0.15 per page, including cover, index, and internal pages, for any for of reproduction costs. The cost of the binding required by 5th Cir. R. 32.2.3 that mandates that briefs must lie reasonably flat when open shall be a taxable cost but not limited to the foregoing rate. This rate is intended to approximate the current cost of the most economical acceptable method of reproduction generally available; and the clerk shall, at reasonable intervals, examine and review it to reflect current rates. Taxable costs will be authorized for up to 15 copies for a brief and 10 copies of an appendix or record excerpts, unless the clerk gives advance approval for additional copies.*

39.2 Nonrecovery of Mailing and Commercial Delivery Service Costs. *Mailing and commercial delivery fees incurred in transmitting briefs are not recoverable as taxable costs.*

39.3 Time for Filing Bills of Costs. *The clerk must receive bills of costs and any objections within the times set forth in FED. R. APP. P. 39(D). See 5th CIR. R. 26.1.*

FED. R. APP. P. 39. COSTS

(a) **Against Whom Assessed.** The following rules apply unless the law provides or the court orders otherwise;

- (1) if an appeal is dismissed, costs are taxed against the appellant, unless the parties agree otherwise;
- (2) if a judgment is affirmed, costs are taxed against the appellant;
- (3) if a judgment is reversed, costs are taxed against the appellee;
- (4) if a judgment is affirmed in part, reversed in part, modified, or vacated, costs are taxed only as the court orders.

(b) **Costs For and Against the United States.** Costs for or against the United States, its agency or officer will be assessed under Rule 39(a) only if authorized by law.

(c) **Costs of Copies** Each court of appeals must, by local rule, fix the maximum rate for taxing the cost of producing necessary copies of a brief or appendix, or copies of records authorized by rule 30(f). The rate must not exceed that generally charged for such work in the area where the clerk's office is located and should encourage economical methods of copying.

(d) **Bill of costs; Objections; Insertion in Mandate.**

(1) A party who wants costs taxed must – within 14 days after entry of judgment – file with the circuit clerk, with proof of service, an itemized and verified bill of costs.

(2) Objections must be filed within 14 days after service of the bill of costs, unless the court extends the time.

(3) The clerk must prepare and certify an itemized statement of costs for insertion in the mandate, but issuance of the mandate must not be delayed for taxing costs. If the mandate issues before costs are finally determined, the district clerk must – upon the circuit clerk's request – add the statement of costs, or any amendment of it, to the mandate.

(e) **Costs of Appeal Taxable in the District Court.** The following costs on appeal are taxable in the district court for the benefit of the party entitled to costs under this rule:

- (1) the preparation and transmission of the record;
- (2) the reporter's transcript, if needed to determine the appeal;
- (3) premiums paid for a supersedeas bond or other bond to preserve rights pending appeal; and
- (4) the fee for filing the notice of appeal.

10/27/2017

United States Court of Appeals

FIFTH CIRCUIT
OFFICE OF THE CLERK

LYLE W. CAYCE
CLERK

TEL. 504-310-7700
600 S. MAESTRI PLACE
NEW ORLEANS, LA 70130

August 25, 2014

MEMORANDUM TO COUNSEL OR PARTIES LISTED BELOW

Regarding: Fifth Circuit Statement on Petitions for Rehearing
or Rehearing En Banc

No. 13-50781 Raul Galaz, et al v. Lisa Galaz, et al
13-50783 Raul Galaz, et al v. Lisa Galaz, et al
USDC No. 5:11-CV-425
USDC No. 5:13-CV-379

Enclosed is a copy of the court's decision. The court has entered judgment under FED R. APP. P. 36. (However, the opinion may yet contain typographical or printing errors which are subject to correction.)

FED R. APP. P. 39 through 41, and 5TH Cir. R.s 35, 39, and 41 govern costs, rehearings, and mandates. 5TH Cir. R.s 35 and 40 require you to attach to your petition for panel rehearing or rehearing en banc an unmarked copy of the court's opinion or order. Please read carefully the Internal Operating Procedures (IOP's) following FED R. APP. P. 40 and 5TH CIR. R. 35 for a discussion of when a rehearing may be appropriate, the legal standards applied and sanctions which may be imposed if you make a nonmeritorious petition for rehearing en banc.

Direct Criminal Appeals. 5TH CIR. R. 41 provides that a motion for a stay of mandate under FED R. APP. P. 41 will not be granted simply upon request. The petition must set forth good cause for a stay or clearly demonstrate that a substantial question will be presented to the Supreme Court. Otherwise, this court may deny the motion and issue the mandate immediately.

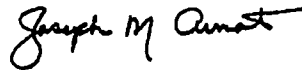
Pro Se Cases. If you were unsuccessful in the district court and/or on appeal, and are considering filing a petition for certiorari in the United States Supreme Court, you do not need to file a motion for stay of mandate under FED R. APP. P. 41. The issuance of the mandate does not affect the time, or your right, to file with the Supreme Court.

The judgment entered provides that appellants pay to appellees the costs on appeal.

10/27/2017

Sincerely,

LYLE W. CAYCE, Clerk



By: _____
Joseph M. Armato, Deputy Clerk

Enclosure(s)

Mr. Benjamin R. Bingham
Mr. Julian Jackson
Mr. Royal B. Lea III
Mr. J. Scott Rose

10/27/2017

10/27/2017

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 13-50781

D.C. Docket No. 5:11-CV-425

United States Court of Appeals
Fifth Circuit

FILED

August 25, 2014

Lyle W. Cayce
Clerk

In the Matter of: LISA ANN GALAZ,

Debtor

RAUL GALAZ; SEGUNDO SUENOS, L.L.C.,

Appellants

v.

LISA ANN GALAZ; JULIAN JACKSON,

Appellees

Appeals from the United States District Court for the
Western District of Texas, San Antonio

Before HIGGINBOTHAM, JONES, and PRADO, Circuit Judges.

J U D G M E N T

This cause was considered on the record on appeal and was argued by counsel.

It is ordered and adjudged that the judgment of the District Court is vacated, and the cause is remanded to the District Court for further proceedings in accordance with the opinion of this Court.

IT IS FURTHER ORDERED that appellants pay to appellees the costs on appeal to be taxed by the Clerk of this Court.

10/27/2017

App. *EAH*

ISSUED AS MANDATE:

A True Copy
Attest

Clerk, U.S. Court of Appeals, Fifth Circuit

By: _____
Deputy

New Orleans, Louisiana

10/27/2017

10/27/2017

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 13-50783

D.C. Docket No. 5:13-CV-379

United States Court of Appeals
Fifth Circuit

FILED

August 25, 2014

Lyle W. Cayce
Clerk

In the Matter of: LISA ANN GALAZ,

Debtor

RAUL GALAZ; SEGUNDO SUENOS, L.L.C.,

Appellants

v.

LISA ANN GALAZ; JULIAN JACKSON,

Appellees

Appeals from the United States District Court for the
Western District of Texas, San Antonio

Before HIGGINBOTHAM, JONES, and PRADO, Circuit Judges.

J U D G M E N T

This cause was considered on the record on appeal and was argued by counsel.

It is ordered and adjudged that the judgment of the District Court is vacated, and the cause is remanded to the District Court for further proceedings in accordance with the opinion of this Court.

IT IS FURTHER ORDERED that appellants pay to appellees the costs on appeal to be taxed by the Clerk of this Court.

10/27/2017

ISSUED AS MANDATE:

A True Copy
Attest

Clerk, U.S. Court of Appeals, Fifth Circuit

By: _____
Deputy

New Orleans, Louisiana

10/27/2017

10/27/2017

Alfred Galaz
508 Red Cloud Dr.
Harker Heights, TX 76548
Email: lgalaz@hotmail.com

January 19, 2015

VIA PRIORITY MAIL
VIA EMAIL: j@artistrightsfoundation.com
Julian Jackson
4712 Admiralty Way, Ste. 593
Marina Del Rey, CA 90292

Re: Monies for Return: Artist Rights Foundation, LLC

Dear Mr. Jackson,

I am the successor in interest of Raul Galaz and Segundo Suenos, LLC, in certain matters pertaining to you.

As you are aware, pursuant to orders issued by the U.S. Bankruptcy Court for the Western District of Texas in adversary proceeding no. 08-05043, you were awarded a significant monetary judgment against Raul Galaz and Segundo Suenos LLC, and a two-thirds interest in the Ohio Players music catalogue (pending recovery of the monetary judgment, at which time such right would revert to a one-half interest). As you are aware, according to an opinion issued on August 25, 2014 by the 5th Circuit of Appeals, such judgment has now been vacated, and is no longer effective.

According to the records of Patrick Lowe, Esq., a receiver appointed in adversary proceeding no. 08-05043, you were paid the sum of \$17,244 pursuant to the now-vacated judgment. Specifically, on or about June 17, 2011 you were paid the sum of \$11,578, and on or about September 7, 2011 you were paid the sum of \$5,666. You are therefore responsible for the return of these sums.

You are additionally responsible for two-thirds of the costs associated with the seizure and liquidation of the previously-awarded assets pursuant to the now-vacated judgment, including the following: \$8,930 identified in the Lowe accounting, \$29,688 paid to BMI as interpleader fees, and \$30,593 payable to Patrick Lowe as receiver fees. The sum total of such fees equals \$69,211, two-thirds of which equals \$46,140.

In sum, you remain liable for the sum of \$63,384 (\$17,244 + \$46,140). As the successor in interest to the aforementioned interests against you, I hereby make demand for such sum at this time. If you have received additional funds derived from such judgment, I hereby make demand for them as well.

10/27/2017

ExJ

Please forward payment at this time in the amount of \$63,384, at the aforementioned address within the next two weeks, i.e., no later than February 2, 2015. If you require additional time for payment, please communicate your desired schedule and details regarding how such payment may be secured.

Additionally, review of Raul Galaz's records reveals that there has been no response to the letter that was sent to you by Raul Galaz via certified mail on May 11, 2011, wherein he requested a variety of information relating to Artist Rights Foundation, LLC. I hereby renew that request for information, which was as follows.

Pursuant to California Corporations Code section 17106, and Nevada Revised Statutes section 86.241(3), please produce the following information at this time, in writing, relating to Artist Rights Foundation LLC:

- (1) A current list of the full name and last known business or residence address of each member and of each holder of an economic interest in the limited liability company set forth in alphabetical order, together with the contribution and the share in profits and losses of each member and holder of an economic interest. Please note that, pursuant to both California and Nevada statutes, addresses must be an actual physical address of residence or operation, and neither a post office box or private mail box.
- (2) A current list of the full name and business or residence address of each manager.
- (3) A copy of the articles of organization and all amendments thereto, together with any powers of attorney pursuant to which the articles of organization or any amendments thereto were executed.
- (4) Copies of the limited liability company's federal, state, and local income tax or information returns and reports, if any, for the six most recent taxable years.
- (5) Copies of any operating agreement of the company.
- (6) True and complete records regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each member and which each member has agreed to contribute in the future, and the date on which each became a member.
- (7) Complete records regarding the activities and the status of the business and financial condition of the company, including but not limited to all income that has been received from all sources, all expenditures made on behalf of the company, and a description of all actions that are being taken in order to exploit rights currently held by Artist Rights Foundation LLC against the following persons or entities:

- Warner/Chappell Music
- Heirs of Patricia Middlebrooks
- Heirs of Clarence Satchell
- James Rodger Williams
- Leroy Bonner
- Marshall Jones
- Marvin Pierce

Please make note that significant consequences exist for the failure to promptly provide this information. If the foregoing information cannot be provided within one week, please identify at this time when such information will be made available.

Sincerely,


Alfred Galaz

DECLARATION OF RYAN T. GALAZ

I, RYAN TAYLOR GALAZ, declare and state as follows:

1. I am the sole principal of RTG, LLC, the plaintiff in this action. I submit this declaration in support of Plaintiff RTG, LLC's Opposition to Lisa Fodera's Motion for Partial Summary Judgment. The following facts are within my personal knowledge, and if called upon I could and would testify competently thereto.

2. In September 2016, I discussed with Alfred Galaz, my grandfather, a transfer of a claim he held against Julian Jackson for monies/expenses that had been unrightfully distributed to Jackson by a court-appointed receiver (the "Jackson Claim"). After a brief discussion, we agreed that I would pay \$5,000 to acquire the unrealized, speculative claim against Mr. Jackson. This transaction was confirmed by an email dated September 29, 2019. A few days later, on October 3, 2016, I transferred \$5,000 to Alfred Galaz. These facts are corroborated by correspondence and documents submitted as exhibits. **Exhibits Q, R to Opposition.**

3. I placed ownership of the Jackson Claim into RTG, LLC, a limited liability company wholly owned by me. I then engaged legal counsel in Los Angeles, California (Pick & Boydston LLP), who was already familiar with the matter, and agreed to handle the matter for RTG, LLC. Ultimately, Pick &

Boydston LLP was paid \$13,000 for its services. I filed suit against Mr. Jackson on March 23, 2017. Despite being served, Jackson failed to file a formal response, and on October 23, 2017, a default judgment was entered for \$64,235.

4. I was wholly unaware of any specifics of the litigation between my grandfather and my mother, other than what applied specifically to the Jackson Claim. I testified as to such fact in my deposition, noting that the document references within my prove-up declaration were provided to me by my legal counsel.

5. In sum, RTG, LLC paid more than \$23,000 ($\$5,000 + \$13,000 + \$5,000$) to obtain its 50% interest in the Music Rights, previously held by Jackson.

6. RTG, LLC is owned exclusively by me, and has been since inception. I organized RTG, LLC. I am the only person with access or control to RTG's bank account. I am the only person who maintains the books and records of RTG. I am the only person who has ever filed tax returns on behalf of RTG, and the only person who benefitted financially from RTG. RTG has engaged in three businesses thusfar, the acquisition of a monetary claim against Julian Jackson, the acquisition of music rights, and most significantly, the renovation of residential real estate. The acquisition and renovation of real estate dwarfs the monetary value of the first two businesses by almost ten to one.

7. By contrast, Raul Galaz, my father, had no involvement in “setting up” RTG, as Lisa Fodera maintains. RTG has never entered into any agreement with Raul Galaz. Raul Galaz has never received *any* payment or compensation from RTG, despite RTG having substantial income. Raul Galaz had no participation in RTG’s filing of a lawsuit against Jackson other than generally explaining the legal process to me. Raul Galaz had zero involvement in the sale of Jackson’s assets, including any acquisition of Jackson’s music rights. The *entire* involvement of Raul Galaz in any of RTG’s business was to periodically assist with the renovation of a duplex, and report to me when I could not deal with a matter firsthand.

8. Until being accused by Lisa Fodera, my mother, I was wholly unaware of any injunction that existed in litigation between my grandfather and my mother, much less Fodera’s characterization thereof. In fact, I never even spoke to Alfred Galaz, my grandfather, regarding the injunction or other rulings.

9. Until this lawsuit, I had no knowledge that Fodera held any asserted interest in the Jackson Claim. On behalf of myself and RTG, I believed Alfred Galaz had full authority to transfer the Jackson Claim and, by all appearances, he was not mistaken.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed this 2nd day of October, 2019, at Cambridge, Massachusetts.



Ryan T. Galaz

Proof of Delivery

I hereby certify that on Monday, March 16, 2020, I provided a true and correct copy of the Appendix Volume 1 - Public Redacted to the following:

Public Television Claimants (PTC), represented by Dustin Cho, served via Electronic Service at dcho@cov.com

MPA-Represented Program Suppliers (MPA), represented by Alesha M Dominique, served via Electronic Service at amd@msk.com

Multigroup Claimants (MGC), represented by Brian D Boydston, served via Electronic Service at brianb@ix.netcom.com

Joint Sports Claimants (JSC), represented by Michael E Kientzle, served via Electronic Service at michael.kientzle@apks.com

Canadian Claimants Group, represented by Victor J Cosentino, served via Electronic Service at victor.cosentino@larsongaston.com

National Association of Broadcasters (NAB) aka CTV, represented by John Stewart, served via Electronic Service at jstewart@crowell.com

Signed: /s/ Matthew J MacLean